CANADA. PARLIAMENT. HOUSE

DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

SIXTH SESSION—EIGHTEENTH PARLIAMENT

AND

FIRST SESSION—NINETEENTH PARLIAMENT

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4 GEORGE VI, 1940

VOLUME I, 1940

COMPRISING THE ONE-DAY SESSION OF JANUARY 25, 1940, AND THE PERIOD FROM THE SIXTEENTH DAY OF MAY, 1940, TO THE TWENTY-FIRST DAY OF JUNE, 1940, INCLUSIVE

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OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1940

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, January 25, 1940.

SIXTH SESSION—EIGHTEENTH PARLIAMENT—OPENING

The parliament which had been prorogued from time to time to the twenty-fifth day of January, 1940, met this day at Ottawa, for the dispatch of business.

The house met at three o'clock, the Speaker in the chair.

Mr. Speaker read a communication from the Governor General's secretary, announcing that His Excellency the Governor General would proceed to the Senate chamber at three p.m. on this day, for the purpose of formally opening the session of the dominion parliament.

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, 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 chamber.

And the house being returned to the Commons chamber:

VACANCIES

Mr. SPEAKER: I have the honour to inform the house that during the recess I received communications from several members, notifying me that the following vacancies had occurred in the representation, viz:

Of Wilfrid Girouard, Esquire, member for the electoral district of Drummond-Arthabaska, by resignation;

Of Pierre Emile Cote, Esquire, member for the electoral district of Bonaventure, by resignation;

Of Otto Buchanan Elliott, Esquire, member for the electoral district of Kindersley, by resignation;

Of James Warren Rutherford, Esquire, member for the electoral district of Kent, Ontario, by decease;

Of Joseph Leon Vital Mallette, Esquire, member for the electoral district of Jacques-Cartier, by decease;

Of Alexander MacGillivray Young, Esquire, member for the electoral district of Saskatoon City, by decease;

Of Hon. Fernand Rinfret, member for the electoral district of St. James, by decease;

Of Alfred Edgar MacLean, Esquire, member for the electoral district of Prince, by decease.

I accordingly issued my several warrants to the chief electoral officer to make out new writs of election for the said electoral districts, respectively.

NEW MEMBERS

Mr. SPEAKER: I have the honour to inform the house that during the recess the clerk of the house has received from the chief electoral officer certificates of the election and return of the following members, viz:

Of Douglas George Leopold Cunnington, Esquire, for the electoral district of Calgary West;

Of Arthur Lisle Thompson, Esquire, for the electoral district of Kent, Ontario;

Of Eugene Durocher, Esquire, for the electoral district of St. James;

Of Elphège Marier, Esquire, for the electoral district of Jacques-Cartier;

Of Hon. James Layton Ralston, for the electoral district of Prince;

Of Walter George Brown, Esquire, for the electoral district of Saskatoon City.

NEW MEMBERS INTRODUCED

Hon. James Layton Ralston, member for the electoral district of Prince, introduced by Right Hon. W. L. Mackenzie King and Right Hon. Ernest Lapointe.

Arthur Lisle Thompson, Esquire, member for the electoral district of Kent, Ontario, introduced by Right Hon. W. L. Mackenzie King and Hon. N. A. McLarty.

REVISED EDITION

Eugene Durocher, Esquire, member for the electoral district of St. James, introduced by Right Hon. W. L. Mackenzie King and Right Hon. Ernest Lapointe.

Elphège Marier, Esquire, member for the electoral district of Jacques Cartier, introduced by Right Hon. W. L. Mackenzie King and Right Hon. Ernest Lapointe.

Douglas George Leopold Cunnington, Esquire, member for the electoral district of Calgary West, introduced by Hon. Robert J. Manion and Mr. E. E. Perley.

Walter George Brown, Esquire, member for the electoral district of Saskatoon City, introduced by Miss Agnes C. Macphail and Mr. Joseph Needham.

OATHS OF OFFICE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

Mr. SPEAKER: I have the honour to inform the house that when the house did attend His Excellency the Governor General this day in the Senate chamber, His Excellency was pleased to make a speech to both houses of parliament. To prevent mistakes, I have obtained a copy, which is as follows. Shall I dispense?

Mr. MANION: No; I should like to have it read.

Mr. SPEAKER: I will have it read by the clerk assistant.

Honourable Members of the Senate:

Members of the House of Commons:

During the months which have elapsed since the close of the special session, my ministers have given unremitting attention to the organization and prosecution of Canada's war effort. The government has been in constant consultation with the government of the United Kingdom, and the measures adopted have been those which it is believed will best serve the common cause.

Vigorous action has been taken through all branches of the armed forces to provide for the security and defence of Canada, and for co-operation with the allied forces on land, on sea and in the air.

For the effective prosecution of the war, Canada's industrial, financial and other resources are being steadily mobilized and all war activities coordinated. The production and marketing of agricultural and other primary products have been given constructive direction; and safeguards have been provided against undue enhancement, under war conditions, of the prices of food, fuel and other necessaries of life.

[Mr. Speaker.]

Since last you met the developments of the war have made increasingly clear the nature of the struggle in which we are engaged. The very existence of nations that cherish independence and democratic ideals is menaced by enemy forces of ruthless aggression which aim to dominate mankind by terror and violence. The Canadian people have shown their determination to share with Britain and France to the utmost of their strength in the defence of freedom.

My ministers are of the opinion that the effective prosecution of the war makes it imperative that those who are charged with the grave responsibility of carrying on the government of Canada should, in this critical period, be fortified by a direct and unquestioned mandate from the people. My advisers, accordingly, having regard to existing conditions and the stage of the life of the present parliament, have decided upon an immediate appeal to the country.

Honourable Members of the Senate:

Members of the House of Commons:

In all that pertains to the discharge of your responsible duties, may Divine Providence be your strength and guide.

WAR MEASURES ACT

ORDERS IN COUNCIL RESPECTING WAR EMERGENCY MATTERS TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I wish to table certain orders in council respecting war emergency matters. These are the various orders that have been passed under the War Measures Act. There are typewritten copies of all measures that have been passed since the close of the special session and up to and including January 17, 1940. All orders in council passed under the authority of the War Measures Act having the character of legislation are being printed and I have every reason to believe that they will be ready to table in printed form, both in French and in English, by the middle of next week.

ACTING DEPUTY SERGEANT AT ARMS

Mr. SPEAKER: I have the honour to inform the house that I have appointed John Laundy to be acting deputy sergeant at arms during the present session.

DISSOLUTION OF PARLIAMENT

STATEMENT OF THE PRIME MINISTER AS TO PROPOSED GENERAL ELECTION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I rise to move that the house do now adjourn, but if the house would permit me so to do I should like to make a statement to hon. members with respect to the paragraph in the speech from the throne which refers to an immediate dissolution. Hon. members will be interested in knowing the circumstances which

have actuated the ministry in advising his excellency that no time should be lost in having an appeal to the country.

The paragraph to which I have particular reference is the following:

My ministers are of the opinion that the effective prosecution of the war makes it imperative that those who are charged with the grave responsibility of carrying on the government of Canada should, in this critical period, be fortified by a direct and unquestioned mandate from the people. My advisers, accordingly, having regard to existing conditions and the stage of the life of the present parliament, have decided upon an immediate appeal to the country.

The house will recall that at the special session my hon. friend the leader of the opposition (Mr. Manion) asked me if I was prepared to give an undertaking that an election would not be called by the present government before parliament had again been summoned. I gave him that assurance and I should like to read to the house the words used in that connection. They will be found at page 157 of *Hansard*. They are as follows:

As to the question of a general election before another session, my hon. friend has been kind enough to say that I told him some time ago that I would not think of anything of the kind or countenance it. Nor have I had a suggestion from any member of parliament that a general election should be thought of between now and another session.

I wish to direct particular attention to these words: "before another session" and "a general election should be thought of between now"—that is the time at which I was speaking last September—"and another session."

I then gave to the house my own views with respect to the undesirability of parliament extending its own term. Perhaps I had better give that paragraph, as it follows in natural sequence. I said:

The term of parliament is five years; and as time runs on there may be in the minds of some a temptation to follow the course which was adopted during the last war and have parliament perpetuate its term, provided the war is not over at that time. Personally, I never liked the extension which was made during the time of the last war. In my opinion, the people of the country have the right to say whom they wish to have administering the affairs of Canada, and they should exercise that right periodically at the time provided for in the constitution. I do not think any parliament should take it upon itself to deprive the people of that right. That is my feeling, very strongly, at the moment. There may be conditions between now and the end of this parliament which may necessitate a reconsideration of this question, but I should hope that everyone would expect that the people of Canada should have a chance to express their minds freely with regard to the administration, the opposition, third parties and generally with their representation in parliament within the period of time which the constitution provides.

I returned to the question of calling the next session of parliament, and said:

It is my intention to have parliament called again in January. It may possibly be necessary to have parliament called before that, but I should expect that we would follow the usual procedure and bring hon. members together some time in the month of January. At that time, we will be in a position to consider what steps may be most necessary with regard to developments that may ensue meanwhile. I hope I have made perfectly clear the position of my colleagues and myself.

Then my hon. friend the leader of the opposition was kind enough to say:

May I be allowed, Mr. Speaker, to break the rules and speak again merely to express my thanks to the Prime Minister for his straightforward answer to my question.

I think it is quite clear from what I have read what was in my mind at the time as to the different circumstances that might arise in a period of war; and that my intention was that before there should be a dissolution of this parliament, parliament itself should be summoned and given that information; in other words, that there would be no election between the last special session and the calling of the present session.

May I say, Mr. Speaker, that at that time I had hoped that circumstances might be such as would permit of another session of this parliament being held before a general election. But as I have said, no one can foresee what is likely to take place in a time of war, and none can foretell the degree to which a government may continue to enjoy the confidence of the people in carrying on the affairs of the nation at so critical a time. I was careful therefore to say that it would be desirable when parliament next assembled to have had a careful review in the interval of all circumstances which would bear on the question of whether it would be advisable to proceed in a period of war with a pre-election session, or to have on the hustings such discussion as must necessarily take place—in other words, to avoid two political battles, one in parliament and one on the hustings as well.

I had felt, I must say, up until a very short time ago that it was going to be possible, at a session called in the month of January, to present to this parliament the measures which the government felt it would be necessary, before an appeal to the people, to carry through for the effective prosecution of the war. I had always been very much concerned, as I think the house is well aware, about the long period of time required by our elections act for a general election. Under the act and its administration I think something like eight weeks

is required to elapse between the date of dissolution and the day of election. I had felt that possibly we might get over the difficulty of having such a long interval while war was on and parliament was not in session, by shortening the time in which there would be no parliament through an amendment to our elections act to reduce the period in which the country would be without a parliament to something like four weeks. I spoke to my hon. friend the leader of the opposition about that prior to the special session of last year. I should have liked to introduce such a measure at that time, but I gathered from what he said to me and from what others have said, that the introduction of any measure to amend the elections act would be certain to create some suspicion in the minds of some hon. members and to provoke a kind of discussion that would not be advisable.

Mr. MANION: If the right hon. gentleman will permit me to interject, I should like him to take his own responsibility for his acts and not try to put it on other people.

Mr. MACKENZIE KING: I am going to take full responsibility, Mr. Speaker—

Mr. MANION: Then take it.

Mr. MACKENZIE KING: I thought I had done my hon. friend a courtesy in mentioning that I had talked the matter over with him before the last session and that he had given me his view that it would be unwise to attempt a measure of that kind.

Mr. MANION: The right hon. gentleman told me that he was going to bring it in at this session of parliament. I pointed out that such a period would not give a leader time to cross this country, and my right hon. friend's reply was, "Why should a leader cross this country?" So far as bringing in such a measure last session is concerned, there was no discussion.

Mr. MACKENZIE KING: Possibly there may be some misunderstanding in the mind of my hon. friend as to just what our conversation was. At any rate he is quite right when he says that he had mentioned to me, as one of the reasons why it would not be advisable to try to shorten the period for the election, that the leader would wish to take seven weeks, at least, in discussing issues before the electorate in the country. However, my hon. friend has made quite clear his own point of view, which is that he should have a period of something like eight weeks, because that is about the time required under the act, to address the electorate in a period of a general election.

If that is the case, it demands consideration at once of just when a dissolution should take place which will involve a campaign of something like eight weeks, and controversy on electoral matters throughout that period of time, at a time when the country is in a state of war and Europe is in the condition which we all know it to be in to-day.

But I am getting away from what I had wished to make clear to the house, which was that I had hoped there would be a feeling of sufficient confidence in the present administration, and an evidence of sufficient unity between all parts of this country to have enabled us, at a session at this time, to introduce a number of measures and then to go to the country a little later on. Until a week or two ago—indeed, until a week ago—it was my intention that this should be the procedure. But, as hon. members know, just a week ago to-day, or yesterday, the premier of the largest province in this country—

Miss MACPHAIL: A Liberal.

Mr. MACKENZIE KING: —introduced in the Ontario legislature a resolution which was directed in no uncertain terms at the government of Canada now administering its affairs. That resolution was seconded by the leader of the Conservative opposition in the Ontario legislature; and when it came to a vote, the resolution was supported by all of the ministers of the Ontario government who were present in the house at the time, by some of the members of the Liberal party in Ontario, and by all of the Conservative members in the legislature. The resolution had been preceded by some discussion in the legislature—a discussion which had taken place, I think, for a couple of days—attacking the manner in which this government has sought to administer the affairs of the country during this period of war. I think I would have paid little or no attention to that discussion had it been confined to the leader of the government of Ontario and to the leader of the opposition of Ontario; I would have allowed it to pass, and not made further mention of the matter other than to discuss the merits of any points which might have been raised in the discussion. However, when the Ontario legislature adopted the resolution and it was given a permanent place on the records of the legislature, quite a different situation presented itself to this government. May I read the resolution?

That this house has heard with interest the reports made by the prime minister and the leader of the opposition of the result of their visit to Ottawa, to discuss war measures with the national government and this house hereby endorses the statements made by the two members in question and joins with them in regretting that the federal government at Ottawa

has made so little effort to prosecute Canada's duty in the war in the vigorous manner the people of Canada desire to see.

I ask hon. members to notice the extent of the charge which is made there. It is a charge against the federal government. It is not against myself alone personally but against the entire administration. There have been, as no doubt hon. members are aware, many other attacks upon me personally as leader of the government; but this is against the government at Ottawa, and the charge is that we have made so little effort to prosecute the war. It is further suggested that this criticism, or censure, or whatever it is, is being made in the name of the people of Canada, because it reads: "to prosecute Canada's duty in the war in the vigorous manner the people of Canada desire to see."

I do not think I need say to hon. members that, since war was declared, and this parliament decided that Canada would participate in the war—decided in the unanimous manner in which it did—my colleagues and myself have given every ounce of our strength and every hour of our time in the most devoted manner possible endeavouring to further Canada's war effort, and the interests of the nation. We have not tried to do so in a dramatic or spectacular way. We are too conscious of the gravity of the responsibility which is ours. But we have steadily, day in, day out, given the most careful and thoughtful consideration to every step that should be taken to see that that step would be taken in a manner which would meet with the approval of the people of Canada, and which, so far as the war is concerned, would best serve to further Canada's war effort in the most effective possible way. I had thought, and I believe, that the Canadian people approve both the manner in which the government has undertaken its duties, and the way in which it has discharged them. The very fact that we have to-day throughout the country a chorus, one might almost say, of the press expressing the hope that this administration will continue to carry on, is the best evidence that at least the press of the country, which have to do with the moulding of public opinion, and know something about current opinion, believe that this government has solidly behind it the support of the people.

However, that is not the only thing. Even that resolution might have been put to one side were it not for the evident purpose which lies back of it. That resolution was passed to start a political campaign while this parliament was in session, to have advantage taken of the fact that my colleagues and myself would be obliged to give our attention and our whole attention while parliament was sitting to the work of parliament as well as to the problems of the war and the carrying on of Canada's war effort, while other gentlemen were to be free to criticize our effort, to misrepresent everything that was done, and everything that to them might seem to be left undone. In other words, we were to continue to carry the grave responsibility of doing our duty in the matter of Canada's war effort, and at the same time assume a very great responsibility—not as great as the other, but a very great responsibility—of meeting parliament day in and day out and to try so to conduct debates here as to have due regard for what is taking place in Europe and the care to be exercised with respect to whatever is said and whatever is done, and to have at the same time an electoral campaign carried on against us by those who are political opponents of the administration.

What is the cry already? Already, after this resolution is passed, the leader of the Conservative party of Ontario, at a political meeting, tells the meeting, and through the meeting the province, and through the province the country, that the election must start at once; and he gives them the slogan, "King must go." That is to be the slogan. I am quite prepared to accept that slogan if he will add the words, "to the country." But I ask hon. members: How can I be expected to do what is expected of me by this country in a time of war as leader of the government of Canada if all of my time and thought is to be surrounded by the animosities of political opponents who are seeking to undermine every effort that is being put forward in the leadership of the administration?

I should have thought that, at least until this house had met and expressed its views, those who have any sense of public duty would have been content to allow their political animosity not to be given too much expression. However, it is now evident that a political campaign has begun. That being so, I ask hon. members whether it is wise to try to carry on a political campaign in the country and a political campaign in this parliament—two campaigns at one and the same time—while war is going on at the front.

People the world over will understand, I believe, what may be said on the hustings, and they will be prepared to make some allowance for extreme statements made in the course of a political campaign. They can understand political opponents speaking differently on the hustings from the way in which they speak in this chamber where they have the responsibility which rests upon members in this house. It is a very different thing to have such discussions introduced into the debates in this house as is inevitable once a campaign has started in the country.

Apart from that, however, may I say there are very strong reasons—and they are set forth in the speech from the throne—why it is in the public interest, in the interest of the country, and in the interest of the allied powers, if we are to have an election, as it is now perfectly evident that we must have, we should have it just as soon as possible, and have it over at the earliest moment.

In the first place, as indicated by the speech from the throne, this is the sixth session of the present parliament, one session having been a special one. This parliament was returned in 1935 and this is 1940. That in itself, in my opinion, is the strongest reason why there should be an election at this time. Some may say that this was not the case with Sir Robert Borden; that this was not the view that he took. Sir Robert Borden's government was returned to power in 1911 and war came on in 1914. Sir Robert had been in office for only three years, and there were the most cogent of reasons why he should carry on. He had still another two years before his term would be completed. Our situation, however, is quite different. As everyone knows, this is the last session of this parliament. When the time came for dissolution as fixed by the constitution, Sir Robert Borden found difficulties in the way, because of the stage to which the war had advanced, of giving to the people the right to which they are periodically entitled of declaring to whom they wish to entrust the management of their affairs, and this at a very critical time. There is, therefore, the strongest constitutional reason why we should meet the country just as soon as we possibly can.

But I would mention another circumstance. Had I thought that it would have been in the interests of the country so to do, I would have gone to the people immediately after the last special session in order that those charged with the great responsibility of government in war time might have a direct and unquestionable mandate from the electorate. I realized at that time, however, that it was necessary that Canada's war effort should be gotten under way as expeditiously as possible, that the country should be changed as speedily as possible from a peace-time to a war-time organization, that all necessary military and economic measures should be taken without delay. Once those measures were under way it was clear the situation would be entirely different. Fortunately, in the months that have elapsed since the special session, the government has been able to organize Canada's war effort and to do so very effectively. We have brought into the public service, irrespective of the parties to which they belong, key men who, I believe, enjoy the confidence of the people generally. We have formed the necessary boards to deal with the different war activities. All the work of organization with respect to the army, the navy and the air force has been admirably initiated and developed. The first Canadian division is now in Great Britain and the British commonwealth air training scheme is under way. We have just carried through, in the course of a day or two, our Canadian war loan, so that provision is made from that source for the financial needs of the country for the next considerable period of time. In connection with economic, financial and military affairs the basic work has been successfully planned and accomplished and the officials of the permanent service are at this moment in the best position—a better position than they are ever likely to be in at any other time—to carry out further development while a political campaign is in progress.

May I again ask hon. members this question: If an election is to take place, is it not wise to have it just as soon as we possibly can?

Miss MACPHAIL: In the winter?

Mr. MACKENZIE KING: I will answer my hon. friend's question in that regard. What about the men who are fighting overseas? What about the military forces everywhere? They have to face the winter.

Miss MACPHAIL: I should like to see them drive over the roads.

Mr. MACKENZIE KING: I have considered that question carefully and I think my answer will appeal to my hon. friend as well as to others. I am told by the chief electoral officer that an election will take nearly eight weeks. Provided we have a dissolution in the very near future, we might have the election over before the end of March. Before the end of March the roads will not have been broken up.

Miss MACPHAIL: They will be piled up, fence-high.

Mr. MACKENZIE KING: I do not care what time of year an election is held, there will always be some objections to consider. If you have not an election before the roads begin to break up in the month of March, and if you are considering in the matter the physical condition of the country, April will not be a month for an election, nor will May—May, more particularly, for the reason that if you start the election before May you will have to have the lists prepared before that month; and as everyone knows, the first of

May is the time when a large percentage of the people in the cities move from one location to another, so that if proper lists were to be in existence, there would have to be a further revision of lists at that time. If you go past that time, it takes you into the month of June. For many reasons, I do not think it is advisable that we should wait until June for a general election.

May I give what I regard as the strongest reason for having an immediate election. The one thing that has caused me more anxiety than anything else, with regard to the question of having a general election, is what may happen at the front while an election is taking place. I have had to face, and my colleagues have had to face, the probability of a great offensive on the western front taking place in the spring. I say that if it is possible for this country to have its general elections over before a great offensive takes place, or before the worst of the fighting in Europe takes place, then it is entirely in the public interest that this should be done. There will be very heavy problems to consider at that time. Once the war "begins in earnest", as people are saying, there will be tremendous problems to consider, and the government that has to deal with those problems must have to no uncertain degree the confidence and the backing of the people of this country.

Now I hope hon. members will realize that what I am proposing at the moment is not to extend my time of office, or that of my colleagues, but solely to allow the people of this country to say, as they are entitled to say, whom they wish to carry on their government during this very critical time. If I were seeking to extend the time of the present administration or to extend my own time as leader of the government of this dominion, then I might be open to criticism from hon. gentlemen opposite and from opponents in different parts of the country. But when I am prepared to entrust my political future and the political future of this administration —not merely prepared but anxious that it should be entrusted—to the voice of the people of this country, no criticism can be raised against an intent of that kind.

One other point. The taking of the military vote is an important matter in connection with an election in war time. I think this country still has vivid recollections of how that vote was taken in the last war. We do not want any more occurrences of the kind. We want a perfectly straightforward and honest expression of opinion from the military forces; they are, if anything, more entitled to it than any other class in this country. May I draw attention to this: That vote can, I believe, be taken while the first division is still in England, before its members may go to Europe, if an election is brought on before May. Though as to this I cannot, of course, say. If delayed, the soldiers' vote will certainly have to be taken while they are fighting on the continent of Europe, which would present a very different situation. This government intends, as all hon. members know, if it is returned, to see that this first division is reinforced in strength from month to month and week to week, but it also intends to see that a second division is sent overseas as soon as may be possible. Now that second division, the men who are likely to go in it and form part of it, are in this country at the present time; they can still be in the country during a political campaign if the latter is held immediately. I ask if it is not fairer to them, if it is not better for everyone, that while they are still in a position to exercise the franchise in their own land, they should have their right to record their vote with respect to the government that is to carry on when their lives are at stake?

Mr. CAHAN: Does my right hon. friend intend to introduce legislation to that effect?

Mr. MACKENZIE KING: My hon. friend will himself see just how advisable that would be. I may say to him at once that the government intends to make provision for the military vote being taken overseas, and will do that under the War Measures Act as a most necessary war measure.

Mr. MANION: That is the way Hitler would do it.

Mr. LAPOINTE (Quebec East): Hitler does not take any vote.

Mr. MACKENZIE KING: One word further in regard to the holding of an election at this time. My colleagues and I have realized, as perhaps no others could possibly begin to realize, how important it is that we should begin immediately to prepare for post-war problems. Parliament should be in a position to deal not merely with the immediate problems of war, but also with those problems which will arise as soon as the war is over and even before. Measures such as the unemployment insurance legislation should be passed as speedily as possible. I ask hon. members: Do they believe it will be possible for these measures to be put through except by a parliament that comes fresh from the people with a mandate to carry on the government and enact such necessary measures?

May I conclude what I have to say as to the significance of an election in time of war by quoting a passage, the value of which I think will be appreciated by all those who are

lovers of liberty and freedom. I have before me a statement made by President Abraham Lincoln concerning the question of having an election in war time. President Lincoln in the time of his administration was faced with a problem much more critical than any problem with which we in Canada are faced at this moment; it was that of having an election at a time when his whole country was divided by civil war. Lincoln had to ask himself the question whether he should take advantage of some means whereby he could extend his term and the term of his government, or whether the people should be given the right which is always theirs of saying periodically who should carry on their government. I should like to read what President Lincoln had to say with respect to the election which took place under his administration during the period of the civil war. I read from a volume entitled, "Abraham Lincoln, Complete Works," comprising his speeches, letters, state papers, and miscellaneous writings; edited by John G. Nicolay and John Hay. The volume I have in my hand is one which was given to me by Lady Laurier. It was taken from Sir Wilfrid Laurier's library after Sir Wilfrid's death. These are the words Lincoln used in responding to a serenade which took place on November 10, 1864. They will be found at page 595 of volume 2:

> If the loyal people united were put to the utmost of their strength by the rebellion, must they not fail when divided and partially paralyzed by a political war among themselves? But the election was a necessity. We cannot have free government without elections; and if the rebellion could force us to forego or postpone a national election, it might fairly claim to have already conquered and ruined us. The strife of the election is but human nature practically applied to the facts of the case. What has occurred in this case must ever recur in similar cases. Human nature will not change. In any future great national trial, compared with the men of this, we shall have as weak and as strong, as silly and as wise, as bad and as good. Let us, therefore, study the incidents of this as philosophy to learn wisdom from, and none of them as wrongs to be revenged. But the election, along with its incidental and undesirable strife, has done good too. It has demonstrated that a people's government can sustain a national election in the midst of a great civil war. Until now, it has not been known to the world that this was a possibility. It shows, also, how sound and how strong we still are. It shows that, even among candidates of the same party, he who is most devoted to the Union and most opposed to treason can receive most of the people's votes.

Mr. Speaker, when at previous sessions we were considering the possibility of this country having to decide the part it would take should a great war come in Europe, as the leader of the Liberal party and the leader of the present administration I took the position very strongly, time and time again, that parliament would decide that question. I was told from many sides that it was ridiculous to think of allowing parliament to decide the question of peace or war, that the war would speedily assume proportions which would make impossible anything in the way of parliamentary discussion. I gave my word to the people of this country that parliament would decide, and that the extent to which Canada would participate in the war would depend upon the decision of our own parliament and the provision that parliament might make. I kept my word in that regard. Parliament did decide—it gave its decision in no uncertain terms, and gave this government the means wherewith to carry on Canada's war effort. Now we are confronted with a situation in which our strength is being impaired by those who seek to create in the public mind distrust concerning both our ability and our patriotic efforts. There is only one national authority higher than parliament; that is the people themselves whose servants as members of parliament we all are. Just as I was prepared to trust parliament to make the decision as to Canada's participation in war, so I am prepared to trust the people with respect to the all-important decision as to what government is to administer their affairs during the years in which this war may be waged and probably be concerned with the terms of peace.

It is not an easy or light responsibility, Mr. Speaker, which my colleagues and I have at this time and have had during the past four or five months—yes, and I might well say during the last few years. We are in the midst of the worst situation this world has ever known, and I am afraid that the situation is going to get worse and worse. No one can say how long this war will last. Those who seem to be best informed tell us it is not going to be one year or two years; it may be three years; it may be longer than that. As respects the countries that may be drawn into the conflict, there appears to be a danger of the war spreading over vaster areas than were ever thought of before it began.

So may I say that if we have to carry the grave responsibility of office in war and at a time of war such as the present, then we must be fortified by the voice of this country, expressed in no uncertain terms. If there is any group of men more capable of carrying on Canada's war effort and likely to do so more effectively, then the people should have the right to entrust them with that great

obligation. We propose to leave it to the people of Canada to say whom they wish to carry on the government of Canada in this period of world war.

I move, Mr. Speaker, that the house do now adjourn.

Hon. R. J. MANION (Leader of the Opposition): Mr. Speaker—

Mr. MACKENZIE KING: The motion is not before the house.

Mr. MANION: Do I understand that no one is to be allowed to say anything in reply to the Prime Minister's prepared speech? Is it the intention to gag this house, in addition to everything else? Is the Prime Minister to come before this house and make a prepared speech, of which no hint was given to anyone, and then attempt to close the mouths of the rest of us? I ask him if he dares do that.

Mr. MACKENZIE KING: The parliamentary procedure of this house is for the Speaker to put a motion first. Then, if hon. gentlemen wish to speak, they may do so.

Some hon. MEMBERS: The motion is not debatable.

Mr. MACKENZIE KING: The motion is not debatable, but the Speaker can put the motion just the same. If my hon. friend wishes to speak, I should be quite pleased to have him do so.

Mr. MANION: I certainly wish to speak.

In the first place, Mr. Speaker, I should like it distinctly pointed out that there is no particular courtesy in permitting me to speak, any more than there was courtesy in permitting the Prime Minister to speak on a motion which is not debatable. I should like that distinctly understood. I should like to point out also that the custom in the parliament of Canada has always been for the government to give a copy of the speech from the throne to the leader of the opposition an hour or so in advance, and up to the present session that has always been done by this government. No such courtesy was extended to-day, not even up to the time when you, Mr. Speaker, had the copy of the speech in your hands. So far as I know, no copy has been in the hands of anyone in this house except the Prime Minister and the Speaker. I merely point this out, sir, because it is a discourtesy which not only offends all the parliamentary traditions of this and the British house, but also shows an unfair decision on the part of the Prime Minister to try to catch everyone in this house without preparation, by the unprecedented step he has taken to-day. Until I went into the senate chamber I had absolutely no hint that there was any thought of anything like this. The Prime Minister called the parliament of Canada together to-day in the usual way. He brought members here from the four corners of Canada apparently, so far as one can judge—we do not yet know the intention—to dissolve the house to-night. That is what I understand; that is the only conclusion I can draw, although in one part of his speech the right hon. gentleman said we understood what was in his mind. Well, I doubt if when he spoke last session he thoroughly understood what was in his mind, because usually when the right hon. gentleman speaks as he did at that time he leaves himself an opportunity to back out one of the rear doors or slip out a window. That was what he did then.

The only reason why I mention this particularly, sir, is that it is so unprecedented to treat an opposition in this manner. Not only does the right hon. gentleman suggest, in the speech from the throne at a supposedly regular session of parliament, that he is going to have an immediate election, but he prepares a political speech to be delivered here this afternoon and gives no one else any opportunity of preparing any remarks in advance. As the Prime Minister was speaking I had to sit here and try to outline a few points I desired to make as a result of this unprecedented act. For that reason, Mr. Speaker, I ask you and hon. members of the house to bear with me if my remarks are rather disjointed.

It would have been so easy, once the right hon. gentleman and his government decided on a step like this, to follow the usual courteous practice of a prime minister and a government. However, I must say this is not the first time that the right hon. gentleman has shown this type of discourtesy towards me since I became leader of the opposition. I regret that very much, because many times in the past I have said that whatever faults the right hon. gentleman might have—and I suppose I have pointed out his faults as often as anyone—that was one fault he did not have; he was usually courteous in social life and elsewhere. But he has not shown any of that courtesy in this instance. What he has done from a political point of view is to carry on what I consider unscrupulous politics at this time, by calling for an immediate election without any hint to the people, in order to gag discussion in this house and throughout the country—at all events any prepared discussion—and to attempt to get a snap decision of the people of Canada on this great question.

Mr. MACKENZIE KING: Will my hon. friend allow me to say one word in regard to

what he suggested was discourtesy on my part in not giving him a copy of the speech from the throne? He will realize that a speech from the throne containing a declaration of an immediate appeal to the country was a document which had to be kept very secret. Otherwise, as my hon. friend knows, the information would have been on the streets of this country before it was announced in parliament. That is the sole reason why copies of the speech were not given out before his excellency read the speech.

Mr. MANION: The right hon. gentleman merely adds insult to injury. He suggests that if he had given me a copy of the speech I would have blathered it all over the streets. As a matter of fact I have no doubt at all that the press had copies of the speech before it was read in the senate.

Mr. MACKENZIE KING: I will say that no one had a copy of the speech except His Excellency the Governor General.

Mr. MANION: I have no doubt at all that the press have copies of it now, while I have not.

Mr. MACKENZIE KING: Then instructions have not been carried out, which were that copies of the speech were not to be handed out until after it had been read by his excellency.

Mr. MANION: Yes, read by His Excellency the Governor General about three-quarters of an hour ago. I had not seen a copy, and that is why I had to ask Mr. Speaker to read the speech. However, that is a small matter, but it is just in line with all the other acts of the Prime Minister in this unprecedented action of his. He says, in his remarks, that the Canadian people have approved—according to his idea—the acts of this government. If the Canadian people have approved the acts of this government, why then this hurry for an election at this time? Why call a snap election on this group of two hundred and forty-five members, or thereabouts, who have come here from all parts of Canada, at great expense in many instances? Why snap an election in that manner? This is simply an attempt to take unawares not only this opposition but other opposition groups in the house.

Mr. MACKENZIE KING: I will tell my hon. friend the reason why I did not do so prior to the calling of the house was that I had given a promise it would not be done until the house had been called. I would have asked for a dissolution the night the Ontario resolution was put through had it not been for that.

[Mr. Mackenzie King.]

Mr. MANION: Is the right hon. gentleman telling me that he meant to put over a trick of this kind, and that he intended to do that at this time? Does he mean he would not call an election until the next session of the house or until another session of the house when he could put over a trick such as this? That makes it that much worse. The understanding was that the House of Commons would be called in regular session and that we would discuss the activities of the government, the effort of the government in the conduct of the war, and so on. If we had come here, as we have, and gone on for a few weeks, the Prime Minister might have decided that an election should be called; but to put over a political trick of this kind I say is disgraceful and is sneering at the political traditions of Canada and the British Empire.

If the Prime Minister had wished to do what he has done this afternoon, why did he not discuss the matter in confidence with me and with the leaders of the other parties in this house? That would have been the better course. I should like to ask the right hon. gentleman and the right hon. gentleman the Minister of Justice (Mr. Lapointe), who sits beside him, both of whom have over and over again held themselves out as the great supporters of democracy, the great believers in democracy—I would like to ask these right hon. gentlemen this question: Where is the democracy in the present act?

Mr. MACKENZIE KING: I will answer the question; my hon. friend has asked it.

Mr. MANION: My right hon. friend has had long enough.

Mr. MACKENZIE KING: Let me answer it. Democracy does not mean I am responsible to the leader of the Conservative party or to the leader of the Cooperative Commonwealth Federation or to the leader of the Social Credit group, but it does mean that I am answerable to the people of this country.

Mr. MANION: Through the House of Commons. The right hon. gentleman is answerable to the people of this country through the House of Commons.

Mr. MACKENZIE KING: No, by direct approach to the people themselves, face to face with the problem.

Mr. MANION: Yes, in something like a fair manner, not by a piece of hoodwinking such as has been done to-day by calling the members of the House of Commons together, calling them from right across this country, having them here for a few hours, and then having them go back to meet their electors.

And this has happened after four months in which there has been the greatest degree

of propaganda that has been put out by any government in the history of any British country. Since the government led by the right hon. gentleman has been the war-time government it has failed. For example, he and his government have appointed I don't know how many press liaison groups, but I do know this, that one of those press liaison officers is Major Thomas Wayling—and I am not saying anything against him or against his appointment. However, one of them is Major Thomas Wayling—and he is only one, because there have been half a dozen of them since this government started the war.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: Well, since this government started to carry on Canada's war effort, in the manner in which it has been carried on. The government has appointed about half a dozen liaison groups, one of which is working with the Department of National Defence. Major Wayling's press release body has released one hundred and sixty-five press releases since the war began, or more than one each day the war has been carried on. In addition to that, there have been half a dozen other press release groups. Then, you cannot turn on a radio without hearing the words of some minister of the government who is putting out what is supposedly a description of Canada's war effort, but about two-thirds of those speeches are political propaganda.

Having called this House of Commons together, as the Prime Minister did, why does he not make a report to it, as he should? Why does he not make a statement respecting the actions of the government? Why does he not make that statement right here, before the House of Commons? May I point out that at the short session of parliament held in September the party which I have the honour to lead, and for which I spoke, offered full cooperation and assistance to the government. And I say without fear of successful contradiction that on that occasion we gave cooperation, advice and assistance. Not only did we offer to do that, but in the last four months, since the adjournment of the short sessions, we have carried out our pledge. There has never been a day in which I have gone forth in Canada to make any political speech —not one. I did put out three or four brief statements in regard to certain matters such as mothers' allowances and allowances for dependents, but in that time I have never made a political speech. The party which I have the honour to lead has stood by that promise of cooperation, not only through the short session but since the close of it. I have never on any occasion been called in or shown anything by the Prime Minister with regard to the war. In fact, except two or three times socially I have not seen the Prime Minister since the last session. I say there has been no failure by one of the great parties of this country to cooperate with the government. I say we showed a desire to play ball, but the present procedure on the part of the Prime Minister shows an inexcusable desire to play politics instead. In other words, instead of preparing for the war they were preparing for an election. So far as I can see, that is what they were trying to do.

Let me deal briefly with the right hon. gentleman's remarks about the Ontario situation. Apparently he blames the calling of the general election on a resolution passed in the legislature of Ontario. I should like to ask him what right the legislature of Ontario has to dictate to the people of this country when there shall be an election. What right has it to dictate to the government of Canada? Should not this House of Commons be the body which would make that decision?

The Prime Minister has stated that the resolution was moved by Mr. Hepburn and seconded by Colonel Drew. According to the press it was moved by Mr. Hepburn and seconded by one of his ministers, the Hon. Mr. McQuesten. Colonel George Drew did not second it. Anyway, no matter who moved or seconded it, this is the forum before which the right hon. gentleman has to answer—not the provincial forum in Ontario. If he really wanted to call an election because of that resolution, why did he not call it? Why call the House of Commons here to deal with that question?

Another matter I should like to mention briefly is the soldiers' vote. The right hon. gentleman has said that the government is going to bring in by way of regulation under the War Measures Act something which would permit the soldiers to vote overseas. The right hon. gentleman has been travelling around this country for years talking about the supremacy of parliament. The parliament of Canada is now in session; and yet he tells us to-day, when parliament is in session, that under the War Measures Act he and his government are going to prepare something by way of a frame-up—and I think that is a proper word—to provide for the soldiers' vote overseas. That is what he says. I can only say that his talk in the past about the supremacy of parliament was never better proven to be humbug than it has been to-day.

Then, he has said that a new parliament would take up post-war problems. Well, this

government has never solved any of the pre-war problems; I do not know how it is going to solve post-war problems.

Mr. ROGERS: Oh, oh.

Mr. MANION: Let me say to the Minister of National Defence (Mr. Rogers), who is laughing now, that for years he was Minister of Labour. He was the man who was supposed to handle unemployment in this country. I say that no minister of labour in the history of Canada has ever made such a complete failure of the handling of such a problem as did the hon. gentleman. His reward for handling the Department of Labour in such a weak manner was to be made Minister of National Defence, at the present time, the most important department in the government. How can the people of Canada expect that a minister of labour who made a failure of running the labour department should make a success of the administration of the Department of National Defence? This is one of the reasons why the Department of National Defence has been such a farce under the present Minister of National Defence, as was the Department of Labour under the same minister.

The minister who preceded the present Minister of National Defence has many faults, as I expect many of us have. That hon. gentleman was shown up in this parliament as having acted, to say the least, not advisedly in regard to the Bren gun. But he was defended by the Prime Minister. He was defended by the Minister of Transport (Mr. Howe). He was defended by the then minister of labour, the present Minister of National Defence. He was defended also by one or two others, but I have forgotten which ones. These hon. gentlemen stood by him. Why then has he been demoted? If he was right, why has he been demoted? If he was wrong, why has he been kept in the government? What I meant really to say was that with all his faults I think the former minister of national defence (Mr. Mackenzie) was a more capable minister of national defence than is the present minister.

I have a few words to say with regard to the government's present war effort which has been referred to in the speech from the throne, as well as by the Prime Minister in his remarks on the floor of the house this afternoon. In view of the fact that long before the war this government was nicknamed the "do-nothing government," the people of Canada should not have expected that this government would be able to handle the war effort at all well. The people have not been disappointed in that. Not only did this government not prepare for war, but to my mind they have handled the war effort of Canada in a most disgraceful manner. After more than a year's warning we have called up one division to go overseas. There were not enough clothes for these men; there were not enough boots, not enough blankets and not enough machine guns. These men went overseas unequipped to a large extent. What equipment they had was obtained by gathering in what clothes and equipment could be found scattered here, there and everywhere throughout all sections of Canada. I know of one battalion from British Columbia which was dressed in cotton underwear and cotton clothing. These men crossed this north country in the middle of December and continued across the north Atlantic in the same kind of weather.

I say, again without fear of contradiction—this information comes to me from doctors in charge of these militia regiments—that many of these men are sick and large numbers have been sent to the hospital because of lack of preparation and because of lack of vision on the part of this government.

If it were true that no one had foreseen the danger of war then perhaps I could not criticize. But I find that the Prime Minister, in his remarks on the address in reply to the speech from the throne during last session—I refer particularly to pages 24, 25, 26 and 27 of *Hansard*—said repeatedly that for as long as five years he had thought of nothing except the necessity of preparing for war. Yet no preparation of any kind was made. If it were not for the fact that this is a tragedy, some of the stories which we hear about the lack of preparation would be quite funny. For example, when the war began a general wrote me—I wonder if I can remember the phrase he used?—stating that the anti-aircraft units had no anti-aircraft guns, and that the searchlight units had no searchlights. That is what has happened all across this country. There has been a complete lack of preparation, and as a result the war effort so far is deplorable.

I intended to deal with this quite fully when I was speaking on the address in reply to the speech from the throne. Whatever has been achieved in the way of preparation has been obtained only by kicking this government into action. The matter of mothers' allowances was settled only the other day. There are thousands of widowed mothers and other dependants of men who have enlisted to whom this government has failed to give the proper allowance. One man told me that he had been in the army for four months and had had to sell an old car which he had so that

he could carry on. His wife had not received her separation allowance. Along toward Christmas we heard that these separation allowances were being paid, but the mothers are still without their allowances.

Many of the boys who enlisted were on relief, and they owed no gratitude to this government for anything which had been done to relieve their distress or to give them work and wages. These boys had the guts to join the army to fight for Canada; they had the decency to come forward and offer their lives for democracy; yet in many instances the mothers of these boys who were on relief, partly on account of the inactivity of the former minister of labour and the government generally in not solving this problem, are being faced with hunger. I have in my office scores, perhaps hundreds, of pitiful and pathetic letters from mothers of boys who are now in the army. Many of these mothers have pleaded with me not to let it be known publicly that they are not being treated decently by this government. They did not want their boys overseas to know of the suffering they are going through because their sons offered their lives. This matter was cleared up only a few days ago. Rather, it is not all cleared up, but a statement was issued by the Department of National Defence containing the promise to straighten out this disgraceful condition. This government never does anything without being kicked into doing it.

The wheat sale to Russia was another example. Wheat was sold to Russia, and it was only after protests were made across Canada from the Atlantic to the Pacific that this government acted. As usual, it had to be kicked into doing it.

There was no defence for this country. What is even worse, there were no plans for defence or for equipment. Yet as far back as 1936, if not earlier, the defence association of Canada was pleading with this government to get ready for the inevitable war. They asked the government not only to prepare defence plans but to prepare defences. Yet practically nothing was done in regard to that. That is why the record of this government has been so deplorable, indeed so disgraceful.

I have one other matter to touch upon and then I shall have concluded for the present. The right hon. gentleman through the mouth of his excellency has made reference to the British commonwealth air-training plan. On December 17 the right hon. gentleman boasted over the radio that this plan was the result of an original proposal by the British to establish air-training schools in Canada for British pilots. The fact is that by July 1, 1938 —personally I think it goes back to 1937—the British had been over here pleading with the Prime Minister to give them the right as one of the partners in the empire to establish air-training schools in Canada to train British pilots. It was pointed out that Great Britain was in distress. It was pointed out that the fog in that country cut down the number of possible flying hours and caused innumerable accidents. It was pointed out that in case of war with Germany that country would be able to send across the hordes of aeroplanes with which she was so well equipped to bomb the aeroplane manufacturing plants and the aerodromes of the British.

All this was pointed out to the Prime Minister in 1937. The then Minister of National Defence referred to the fact that the Vancouver *Sun*, a Liberal organ, in the issue of July 7, 1937, I think it was, made the statement that this government had fumbled the issue—that is the word they used—of helping the British to establish air-training schools in this country.

Mr. MACKENZIE KING: I just wish to say, in reply to my hon. friend that what I said in this house on July 1 and which is on *Hansard* is literally and absolutely the truth, the whole truth and nothing but the truth; and what I said in my broadcast is based on my statement, and I stand by it as absolutely correct.

Mr. MANION: I am not going to question that; but if the right hon. gentleman had wanted to be fair he should have been fair this afternoon and permitted me to bring down to this chamber my papers, and I would have shown the facts out of his own mouth. He admitted himself—he admitted it over the radio on December 17—that the British had made exploratory proposals to the government—verbal, of course, nothing written, because there was great play on the word "request." Senator Dandurand in the other chamber in 1938, in a speech occupying half a page of *Hansard*, used the word "request" nine or ten times to emphasize the point that the British had not made any request. But the fact remains, and the Prime Minister admits it in his own words, that the British, in informal exploratory conversations, proposed establishing schools for the training of British air pilots in Canada.

Mr. MACKENZIE KING: We said that we would provide the facilities ourselves and give them the opportunities here, but that the administration must be under the government of Canada, not under the government of the United Kingdom.

Some hon. MEMBERS: Hear, hear.

Mr. MANION: My hon. friends had better not applaud too soon. He said that we would, in our establishments here, give them the right to train. Where were our establishments? Where were our personnel? Where were our machines? We did not have any establishments or machines. Look up the speech of the ex-Minister of National Defence (Mr. Mackenzie) in the House of Commons last year and see how many fighting planes we had. We did not have any. We did not have any facilities at all to train the British.

Mr. MACKENZIE KING: Then we would have been no further ahead.

Mr. MANION: Well, I will deal with that too. The ex-minister of national defence, in a speech in this house which I would quote if I had had time to look up *Hansard,* said that the government were so anxious to co-operate with the British—reinforcing what the Prime Minister said—that we were going to train 126—I think that was the number—of pilots here a year, and all we were going to permit the British to send across were fifty a year. Those were his words as reported in *Hansard*—fifty a year. Yet Sir Kingsley Wood, the head of the air defence force in Britain, made the statement in October—I believe it was on October 9, because I had been studying this matter, and getting thoroughly shocked as I studied it—that what the British had hoped was that there would be 25,000 pilots trained a year. And we were going to train fifty. That is what the ex-minister of national defence stated. At that rate it would have taken us five hundred years to provide them with one year's supply of pilots. That is the proposal; those figures are taken from the actual record. Fifty years, is it? Well, it does not matter, but I think if you divide fifty into 25,000 you have, not fifty but five hundred. Some of my hon. friends laughed a little too soon. Sometimes the loud laugh speaks the vacant mind.

When the British were facing an unscrupulous man like Hitler; when it was known that Hitler had at least twice as many planes as the British and the French combined; when the British appealed to the right hon. gentleman, in the face of that emergency, with war in the offing, to permit the establishment of air-training schools in Canada to train pilots for Britain and the empire, and the right hon. gentleman refused, he did something which made him unfit to remain Prime Minister of this country.

Mr. MACKENZIE KING: I just wish to make perfectly clear that I refused nothing except the matter of who was to administer the schools and by whom they were to be provided.

Mr. MANION: I will go on with that. The right hon. gentleman says he refused nothing. But on December 17 he said that the proposal which he now brings forward, and which he calls the British commonwealth air-training plan, is in effect merely a continuation of the original proposal. But this is not a British commonwealth air-training plan at all. It is largely a Canadian air-training plan. The British proposed to come over here and establish schools for their flying pilots, to be maintained at their own expense. Let us see what would have happened if the right hon. gentleman had said "yes" to them at that time, as I say he should have done. They would have come over here and established their air-training schools. They would have brought over their British young men to train at the rate of 25,000 a year. If that figure is an exaggeration, it is Sir Kingsley Wood's exaggeration, not mine. If the right hon. gentleman cares to look up his speech of December 17, he will see that he himself said that we were going to train many thousands a year. So apparently many thousands a year are needed: Sir Kingsley Wood said 25,000.

Mr. MACKENZIE (Vancouver Centre): My hon. friend evidently has not learned what the suggestion related to. It did not relate to the training of pilots generally; it related to an advanced stage of development. That advanced stage we promised that we would provide in accordance with the wishes of the British government.

Mr. MANION: Yes; and we have provided a lot of it! We have not even got started providing it yet. The British would have come over here in their thousands to train. Then, when we wanted our young men—

Mr. MACKENZIE (Vancouver Centre): May I inform my hon. friend that last year, when the $6,000,000 vote was passed by this house, the British themselves only asked us to train fifty pilots.

Mr. MANION: I remember the minister saying that, but I remember also that Sir Kingsley Wood had said that 25,000 must be trained annually, and I pointed out last March that fifty was merely a fleabite. It was not a very elegant term, but I used it. I say that the British would have sent over thousands to train here, and then, when we wanted our men trained, we could have sent them to the same schools to have them properly trained at little cost to us. On top of that, it would have meant the building up

in Canada of a great industry for the production of planes, which industry is now being built up in the United States and in Great Britain itself. Here we are, a country with hundreds of thousands of unemployed looking for opportunities of work. The Prime Minister has this proposal put up to him by the British to come to their aid in a time of distress. He refused; and the British then started to do what they did not wish to do; they built up manufacturing plants for their planes in their own country—manufacturing plants which they came over here with the intention of establishing in Canada. I learned when I was in England not long ago that on one occasion they came over here with a hundred million dollars' worth of orders for Canadian plants, but they received from the Prime Minister of Canada such a cold reception to this request that they refused to give any of those contracts at that time.

That is another reason why this government, I contend, has shown itself, in its preparation for and its carrying on of Canada's war effort, unfit to govern.

Mr. LAPOINTE (Quebec East): That is a strong case for a general election.

Mr. MANION: Yes—at the proper time. I am not objecting particularly to a general election. I am objecting to the tricky manner in which it is being called. I am objecting to the House of Commons being called together and then laughed at by the Prime Minister and—if you like—by the Minister of Justice (Mr. Lapointe), in the face of all their talk across this country of the supremacy of this parliament. They are laughing at the House of Commons and at the supremacy of parliament. They tell parliament in session that they are going to pass under the War Measures Act regulations for the overseas soldiers' vote. What sense of fairness can we expect in a government which has done what it has done to-day with regard to this overseas vote?

However, I wish to close. I merely wanted to point out a few of the things which came into my head when the Prime Minister was speaking. All of them are mentioned in the speech from the throne. I say that the Prime Minister, in refusing the British the opportunity to train their pilots here, did what was unfair to the people of Canada.

Mr. MACKENZIE KING: I absolutely deny that there was any refusal to train pilots here. My hon. friend, by endless repetition of a statement of that kind, cannot give it any veracity.

Mr. MANION: Well, I can give it veracity by the right hon. gentleman's own words, and before this election is over I will quote them over and over again. His words distinctly state that these proposals came from the British informally. He said that they came here; they were not requests, they were "proposals", or some such word as that, which anyway meant that; that they had carried on informal conversations with this government in Canada; and he said that he refused, on the ground of constitutional practice.

Mr. MACKENZIE KING: May I say to my hon. friend that these informal conversations were within two or three weeks of the time I spoke here on the first of July.

Mr. MANION: He says that, Mr. Speaker, but where did the Vancouver *Sun* get its information a year before that?

Mr. MACKENZIE KING: Probably from my hon. friend.

Mr. MANION: No, I was not even in politics then. I was not in the house and I knew nothing about it. They may have got it from the former minister of national defence, who sits near him, and who was out there about that time, and I have rather wondered if he did not give them the information in disgust at the refusal of this government to give the British government a decent break.

I repeat what I said at the beginning, that this is a most unfair procedure, unfair not only to the parliament of Canada but to the people of Canada, and I suggest to the Prime Minister that even now—he has not definitely said that he is going to dissolve the house to-night but I take it that he is—

Mr. MACKENZIE KING: I think after my hon. friend's speech it would be advisable to.

Mr. MANION: I do not mind but if the right hon. gentleman will give a chance for the discussion to go on I will make a speech that will make him think it is even more advisable. If he wants something to hang his hat on I will give him something.

I say that it is the duty of the Prime Minister and his government to come before parliament and give an account of their stewardship.

Mr. MACKENZIE KING: No, it is to go before the people of Canada.

Mr. MANION: The Prime Minister could have gone before the people without making a joke of the members of this house, without calling them together from Vancouver in the west and from Halifax in the east.

Mr. MACKENZIE KING: And he would have done that if he had not promised my hon. friend that he would not have an election before another session.

Mr. MANION: He promised that he would not have an election until another session of the house. Did he mean by that to hoodwink the members of this parliament? Was that his trickery? I say that if the Prime Minister meant to do what he is doing to-day he meant to hoodwink us and he was guilty of a despicable political trick.

Mr. MACKENZIE KING: My words were very clear and were made clear because of my responsibility in the matter. I pointed out that parliament would be called. What it was advisable to do when parliament was called would depend upon what had happened in the interval. It is because of what has happened in the interval—

Mr. MANION: What has happened in the interval? The right hon. gentleman has been violently attacked by the premier of Ontario. Is there anything new about that? So far as I am concerned I think Mr. Hepburn is right. I think he has been right all along, and never was I so sure that he is right as I am now made sure by this piece of political trickery of the Prime Minister to-day. It is running away from parliament; it is not facing the people.

Mr. SPEAKER: The hon. leader of the opposition has repeatedly used the word "trickery". I do not think that is parliamentary.

Mr. LAPOINTE (Quebec East): It would be all right in the legislature of Ontario.

Mr. MANION: I will withdraw the word, but I do not quite know what other word to substitute that will express my opinion. Perhaps your honour will help me out. I do not wish to be unparliamentary and will withdraw the word. I will say this, that never in the history of our country was there a more unparliamentary act than what the Prime Minister is doing here this afternoon.

Mr. MACKENZIE KING: Never was there a more responsible act.

Mr. MANION: Than what the right hon. gentleman is doing?

Mr. MACKENZIE KING: Yes.

Mr. MANION: If the right hon. gentleman will change the first syllable and make the word "irresponsible", I will agree.

I shall not take up any more of the time of the house. I am willing to let the people decide. But I still think that in decency—I do not say that offensively—and as a matter of fair dealing with the House of Commons and the parliamentary system in Great Britain and Canada the Prime Minister and his government should come back here, carry on the session and bring in legislation for taking the soldiers' votes overseas. Of course I shall be told: What did the other party do about the soldiers' votes? Because it is already implied that something unfair was done. I was not a member of any government prior to 1921, and had nothing to do with what was done at that time, but even if I had been a member of that government, is it any justification for doing something wrong now to say that something was done wrongly then? The whole defence of this government in nearly everything has been: But you people from 1914 to 1918 did worse—the old *tu quoque* argument. Have we not gone ahead at all; have we made no progress in democracy and decency in this country in the last twenty-five years? If there were mistakes or crookedness in those days—I am not denying that there may have been because I do not know much about it—surely that is all the more reason that such things should not be repeated now. That is my argument. This is a time to fight for democracy here at home. What is it going to profit us if we fight for democracy in Europe and lose it here in Canada? And that is what we are doing by such an act as the Prime Minister is pulling off to-day. He is endangering the whole democratic principle for which we are fighting along with Britain and France. The whole difference between Hitlerian dictatorship and our system is the difference between free speech and no free speech. The place for free speech is in the parliament of Canada.

Mr. MACKENZIE KING: It is in the country.

Mr. MANION: It is in parliament since parliament has been called. We shall have it on the hustings too. But the place to have questions answered is here in parliament. With the parliament of Canada dissolved how can I get information, without any returns, without any questions being answered? I do not expect that any of the ministers will give me much help. The place to give that information is here in the House of Commons. The place to discuss these matters is here in the House of Commons. I submit that this government has been extravagant; it has been careless; not only has it been unprepared but it has been deplorably weak in carrying on the war activities of this country. I say that;

and this is the place for me to get the information I want to prove my case, not out on the hustings where the ministers will simply deny that the facts are there.

Mr. MACKENZIE KING: Then my hon. friend is making his assertions without any proof?

Mr. MANION: I have plenty of proof. If the right hon. gentleman will allow the session to go over until next week; if he will go back to his early affirmations of fair dealing and democratic principles which he used to talk so much about all across this country, and will live up to them this session, I will give him evidence in support of all the statements I have made.

I have nothing more to say. If it is the decision of the Prime Minister to dissolve the house to-night, we shall leave it in the mouths of the people to say which party they want to govern them and to carry on Canada's war effort. I venture to make this prophecy. In view of the unpreparedness of the government, in view of its weak war effort, and in view of the attempt of this government to put over this piece of trickery on a snap decision—I beg pardon, Mr. Speaker, for using the word "trickery," but I cannot think of any other word to express my opinion—in view of the government's act to-day in trying to bring about a snap decision without the members of this house being given a fair opportunity to get the information they seek and to discuss that information here in this house, I am convinced that not only the Prime Minister but his government will be swept out of power and some other group will be put in power to carry on the affairs of this country and Canada's war effort.

Mr. WOODSWORTH: Mr. Speaker,—

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: I rise to a point of order.

Mr. SPEAKER: I would draw the attention of the hon. member and of the house to the fact that the motion before the house is not debatable, and the hon. member can proceed only with the unanimous consent of the house. Has the hon. member the unanimous consent of the house?

Some hon. MEMBERS: Yes.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, on the point of order I submit that the Prime Minister (Mr. Mackenzie King) was out of order in making his statement, as was also the leader of the opposition (Mr. Manion), but I urge that it does not require the unanimous consent of the house to give a member of parliament the right to speak in a situation of this kind.

Almost for the first time in my political life I find myself very nearly in complete agreement with the leader of the opposition, not because he is a Conservative, but because I believe that in this regard he is standing for the fundamental rights of parliament and the fundamental principles of democracy. No word is more frequently in the mouth of the Prime Minister than that phrase of his, "parliament will decide", the words, "the rights of the people", and "democracy"; and yet to-day, in my humble judgment at any rate, he is violating the fundamental principles of both. It is not a question whether we are to have an election or not; under our constitution it is for him to decide; but it is a question as to the manner in which it shall be done, and the time.

The Prime Minister suddenly springs upon us the proposal of an election within a few weeks. We do not know whether this means that the voice of this parliament will be absolutely stifled. At the moment we do not know. We do know, however, that the Prime Minister has made a first-class political speech. He has thrown out the general idea of unemployment insurance. Some of us in this corner have been talking about unemployment insurance for years and have been unable to get the government to move. They have raised all sorts of constitutional objections. But now the suggestion is made that it may possibly come to pass—fine political propaganda but no legislation whatever.

We are told that we may have after-war problems to discuss and the government must have time to consider that question. The time to consider after-war problems is now, in this parliament, instead of giving a blank cheque to a government that has not shown itself particularly in favour of the common people of the country. I wonder whether the government has been so long in office and has got so far away from the people that it does not understand the hardships that are being endured by many Canadians to-day. When you come into the city of Ottawa, as I did yesterday morning, you meet soldiers and officials of every kind at every turn, and where you do not find officials you find people hunting for jobs. Does the government quite realize the position of the ordinary people of the country?

I do not say that under the circumstances under which an election is to be carried on this government is bound to be defeated, but

I do know there is a great deal of dissatisfaction already, even before the war has begun in earnest. I suggest that the least this government can do is to give a full account of its stewardship during the last six months. During the special session which we had in September we had no opportunity of discussing the general affairs of the country. It is all very well to say that the war is all-important, but in Canada there are other important matters than the war; and the war will be successful only as there are people in the country who will support it. But the people are not contented to-day. I repeat, the least the government can do, if it is an honest government, is to give a direct account of its stewardship.

We are told that we cannot do what Great Britain does, that we cannot come together every few weeks, almost in continuous session, to discuss the affairs of the state. The government over there is subject to a barrage of criticism from the opposition and that has been generally considered to be a very good thing; but this government seems to avoid criticism. There is no reason why the acts of the last three months since war was declared should not be fully considered.

We are coming to the point where we are governed by order in council. The officials have been kind enough to send me advance copies of orders in council. They come to my desk almost daily. I cannot begin to keep track of them, they are so numerous. Some of these orders in council are taking away the fundamental rights of British people —the right to free speech, the right to free assembly, the right to the exercise of unionism under war conditions, and so on. This condition is coming to pass, and now we are to be denied the rights of parliament. We were taught in our school days that the Magna Charta, the Bill of Rights and similar instruments had settled all these matters forever for the British people, but it would seem as if each generation must make secure its own rights and fight these battles over again in new forms.

The people of the country are anxious to know how some of these war contracts have been let, and they have a right to know. A great many people in Canada want to know, and they have a right to know, how all these dollar-a-year men have been selected, what their qualifications are, and what are the advantages which an inside knowledge may give them. The people of the country want to know why it was that the government got away from the five per cent profit legislation. It may be all very well to say, "Oh, well, under the War Measures Act we can do that"; but this five per cent profit limit was the considered position of this parliament a year ago. Under the War Measures Act apparently anything can be done and so the five per cent profit limit has been swept aside. What will come next? Is there any guarantee whatever?

We are told now that under the regulations in connection with the War Measures Act we are going to have an arrangement with regard to the vote of soldiers overseas. Why should there be any recourse to that procedure when parliament is now sitting? This is the place in which to do that sort of thing, but we are not to have the right to discuss these orders in council.

Some people have been quite enthusiastic over the recent bond issue. Three and a quarter per cent sounds very fine, but the Minister of Justice (Mr. Lapointe) the other day made a most revealing statement. I have a high regard for him, but it was one of the most cynical remarks I have ever heard broadcast throughout the country when he advocated "profitable patriotism". In the last war the various revelations that were made showed the profitable patriotism that had been manifested on the part of the bacon people, the boots people, and a whole lot of others; and now the Minister of Justice actually appeals to the cupidity of the Canadian people and says that we ought to have "profitable patriotism" in this country. It is a low motive to which to appeal.

There is something further I wish to say. If this parliament continues I shall say it at greater length on some future occasion. I desire to say something about the methods that have been used in Canada to compel young men to enlist. It is quite true that because of the opposition of the province of Quebec we have no conscription legislation on our books. But it is also true that in very many parts of the country men who have been on relief for years have been urged to enlist, and told that unless they enlist their relief will be cut off. That is the most despicable form of conscription I know of. I want to say a word for the youth of this country. The Prime Minister will probably rise in his place and say that we have no conscription in this country. No conscription? When thousands of our youth have been forced to enlist by the desperate alternative of enlisting or starving to death, it is time someone said something about the matter. These young fellows who are going to the war have a right to know what provision will be made for them when they come back. One of the bitterest things said to me was said by a returned man in my own

city a few weeks ago. He said, "Yes, these young fellows that are going in now are very nattily dressed, they get good meals, they are provided for, they are heroes; but a whole lot of the fellows that went to the last war are eating in soup-kitchens." Yes, that is true. This government has been in office for years, and before it should be entrusted with another term of office it ought at least to give an account of its stewardship during the time the war has been in progress, and, indeed, for the last six months.

Free speech; the Prime Minister is urging that. Free parliament. I do not know what this order means to-day. I have been in the house for nearly twenty years, and for the life of me I do not know what is going to happen to-night, whether we are going to have a chance to debate an address in reply to the speech from the throne or not. We are all out of order. I do not know what is going to happen. There is an attempt to strangle free speech in this parliament, by shortening the session if not cutting it off absolutely. Having been called together we should remain here for a few weeks at least. What is the desperate need for hurrying this thing along? Is it in order that our people in the rural districts shall have to go out on the wintry roads in order to vote, an impossibility for many of them? Is it because there is a quarrel between the Prime Minister and the premier of Ontario? The latter gentleman sat in this house for some years. We all know he was quarrelling with the Prime Minister, but it is news to us that an election should be called and the whole country upset merely because Mr. Mitchell Hepburn says that the Prime Minister is not doing his duty. Surely the people of this country are not going to be hoodwinked by anything of that kind. If we have an election what freedom shall we have?

Mr. MACKENZIE KING: Why does my hon. friend confine it to Mr. Hepburn?

Mr. WOODSWORTH: Well, the leader of the Ontario opposition also.

Mr. MACKENZIE KING: What about the legislature of a province?

Mr. WOODSWORTH: The Prime Minister is a good constitutionalist; let me ask him whether a provincial legislature has any right to interfere in matters like that?

Mr. MACKENZIE KING: I do not think it has, and that is one of the reasons why this government should make its authority clear.

Mr. WOODSWORTH: The people are not so concerned with niceties of that kind that they will be hoodwinked by such an excuse. As the leader of the opposition (Mr. Manion) pointed out, this defence of not calling an election before parliament was called together, and then claiming since it is called we can immediately have an election, makes me tired; and I think it will make the country tired. I do not mind facing an election, but do not let us resort to that kind of thing. Why does the government not come to this parliament, give an account of its stewardship, and then go to the country? It is here that the government ought to announce its policies for the coming election. The government ought to come out fairly in this parliament and say, We propose to do this, that and the other. Surely the government does not want a blank cheque. There ought to be a debate in this parliament on the government's proposals; when that is all over we can go to the country, having all spoken our minds, having all declared our several positions, and then the people will know what they are voting for. They do not now know.

The Prime Minister talks about free speech. Under the War Measures Act regulations to-day we are in a precarious position. How can I go to the country and say what I think about war; how can I discuss freely the shortcomings of the government without coming under those regulations? It cannot be done.

An hon. MEMBER: And they know it.

Mr. WOODSWORTH: It cannot be done; I am likely to be picked up by any local police officer, and if I were unfortunate enough to live in Ontario I would be prosecuted by the attorney general of that province. That might be an easy way of getting rid of people who do not agree with the government. Already the people of this country have been frightened. One of my own sons came back the other day from Scotland; he said to me: "You know it is astonishing, as soon as I landed on the shores of Canada I felt that in some way the people of Canada had been frightened, were afraid to speak out what they thought." He had come from Great Britain, where they are not afraid to speak what they think. As we all know, there is literature published in Great Britain and coming to this country that is banned in this dominion. It is a ridiculous situation. Does anyone think the mother of parliaments over there would stand for this kind of thing? We are told that Canada is fighting on the side of Great Britain to save democracy; fighting for liberty, free speech, free institutions. We

are told that we have no fight with the German people, but that the trouble with the German people is that they are too submissive, too subservient, that they will take whatever is handed to them by the fuehrer. Are we to become so subservient that we have a virtual dictatorship set up in this country? As I look across at the Prime Minister he does not look like a dictator—

Miss MACPHAIL: But he is one.

Mr. WOODSWORTH: —he does not speak like one, but he is acting like a dictator today. This government is strong; it can carry on for another six months without any extension of power of any kind; but the fact that this government is strong here in Ottawa and the Liberal party is strong in a number of the provinces is no reason why it should use its strength to put over something that is essentially in contradiction to British practice and parliamentary institutions.

Mr. MACKENZIE KING: May I say to my hon. friend the leader of the opposition (Mr. Manion) that I have the assurance of the under-secretary of state that a copy of the speech from the throne was delivered at his office the moment his excellency began to read the speech.

Mr. MANION: I was in the senate chamber listening to his excellency.

Mr. MACKENZIE KING: But it was sent to my hon. friend's office and received by his secretary.

Mr. MANION: It should have been sent at least an hour in advance.

An hon. MEMBER: Do we sit to-night?

Mr. MACKENZIE KING: May I say to my hon. friend that I intend to have my colleagues meet with me immediately and decide what is best to do with respect to further proceedings in this parliament in the light of the kind of discussion we have listened to this afternoon.

At six o'clock the house took recess.

The eighteenth parliament was dissolved on Thursday, January 25, 1940, by proclamation of His Excellency the Governor General.

CANADA

House of Commons Debates

OFFICIAL REPORT

FIRST SESSION—NINETEENTH PARLIAMENT

The eighteenth parliament having been dissolved by proclamation on Thursday, January 25, and writs having been issued and returned, a new parliament was summoned to meet for the dispatch of business on Thursday, May 16, 1940, and did accordingly meet on that day.

Speaker: The Honourable JAMES ALLISON GLEN

Thursday, May 16, 1940

This being the day on which parliament is convoked by proclamation of His Excellency the Administrator for the dispatch of business, and the members of the house being assembled:

Arthur Beauchesne, Esquire, C.M.G., M.A., K.C., F.R.S.C., the Clerk of the House, read to the house a letter from the Assistant Secretary to the Governor General informing him that the Honourable Mr. Justice Oswald Smith Crockett, in his capacity as Deputy Administrator, would proceed to the Senate chamber on Thursday, the 16th of May, at 12 noon, to open the session.

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:—

Gentlemen of the House of Commons:

His Honour, the Deputy of His Excellency the Administrator, desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly the house went up to the Senate chamber, when the Speaker of the Senate said:

Honourable Gentlemen of the Senate:

Gentlemen of the House of Commons:

I have it in command to let you know that His Excellency the Administrator does not see fit to declare the causes of his summoning the present parliament of Canada until the Speaker of the House of Commons shall have been chosen according to law; but this afternoon, at the hour of three o'clock in the afternoon, His Excellency will declare the causes of calling this parliament.

And the members being returned to the Commons chamber:

ELECTION OF SPEAKER

Right Hon. W. L. MACKENZIE KING (Prime Minister): Doctor Beauchesne, at the beginning of a new parliament the first duty of the Commons is to ascertain the reasons why the king's representative—who at the moment happens to be His Excellency the Administrator—has summoned its members to meet him in parliament. We have just been told in another place that his excellency does not see fit to disclose the causes until, in accordance with custom, this house has elected its Speaker. As a matter of fact, until a Speaker has been chosen, the Commons is not yet constituted as a house. Parliament itself cannot be said to be properly constituted until the House of Commons has chosen its Speaker. Therefore our immediate duty is to proceed to elect a Speaker.

As hon. members who have been in previous parliaments are well aware, the custom in the Canadian parliament in the selection of a Speaker is somewhat different from that which is followed at Westminster, the customs of which parliament, in most particulars, we usually follow. At Westminster the practice is to do the Speaker of the previous house the honour of reelecting him at each succeeding parliament, provided that he retains his seat in the House of Commons. I recall particularly the occasion on which Mr. Speaker Lowther of the British House of Commons visited Canada and on behalf of the parliamentary association presented this House of Commons with the chair since occupied by the Speaker and which is a replica of the Speaker's chair at Westminster. Mr. Speaker Lowther informed us, addressing the members from the floor of this house, that for sixteen years he had been Speaker of the House of Commons at Westminster and that during that period of time he had not once left the precincts of the house while either house of parliament was in session. Here in Canada we have followed the practice of electing a new Speaker at the beginning of each parliament. There have been but three exceptions in this house: Mr. Speaker Cockburn, Mr. Speaker Rhodes and Mr. Speaker Lemieux were all reappointed Speakers at a succeeding parliament.

In our country there is also a reason why it has been thought advisable to alternate Speakers. In the main the people of Canada are descended from two great races, the English and the French. It has been the practice because of this to have in one parliament a Speaker whose mother tongue is English, and in the following parliament a Speaker whose mother tongue is French.

There is another respect in which the practice in Canada in the selection of a Speaker differs from the practice at Westminster. At Westminster the nomination of the Speaker is made by a private member; in Canada we have adopted the practice of having the Speaker nominated by a member of the government, as a matter of fact, by the Prime Minister.

However, this difference is not in any way intended to imply any restriction of the freedom of members to make whatever choice they wish. The Speaker of the house is not appointed by the government, he is elected by the Commons. Members of the house are entirely free to make whatever choice they wish. I shall, however, propose a name which I believe will be acceptable to the house generally.

I need not say how important is the position of the Speaker. It is the most honourable and highest office in the gift of the House of Commons. The Speaker is the first commoner; he is also the presiding officer of this house. In that capacity he has the custodianship of the honour, the rights, the privileges and the prerogatives of the house. It is his duty to maintain an attitude of impartiality as between members, regardless of party. It is his duty to protect the rights of members as a whole, and the rights of each individual member. Clearly in such a position one should possess qualities of good judgment and a judicial temperament. The Speaker moreover must be familiar with the rules of the house and have a thorough knowledge of parliamentary procedure. He should, I believe, be chosen if possible in the light of experience he is known to have gained by participation in the affairs of parliament itself. He should be a man of quick perceptions and be at once conciliatory and firm, tactful and just.

I am about to propose the name of a gentleman who, I believe, possesses to quite an exceptional degree this rare combination of qualities. The name is that of Mr. James Allison Glen, the member for Marquette. Mr. Glen has sat in previous parliaments and has been a member of this house for a number of years. In filling positions of this kind if circumstances so permit, it is desirable that recognition should be accorded older members of parliament, especially where in the course of the discharge of their public duties they have become known to possess special qualifications and aptitude for the position in question. Mr. Glen, as we all know, has taken a deep interest in the proceedings of parliament. He has participated in a fair manner in the debates. He has had large experience on committees of the House of Commons. Mr. Glen has had besides training in another particular which should qualify him in special measure for a position which requires the capacity for the judicial management of affairs. In addition to his parliamentary experience he is a prominent member of the bar of Manitoba, a leading king's counsel in that province. That legal training will be of real service to him and to the house in his occupancy of the position of Speaker, should he be elected to that position. He possesses another qualification which I think hon. members appreciate is very important in a Speaker; that is quick perception, the ability to grasp promptly points which are being discussed and to give, I shall not say offhand decisions, but quick decisions where such are demanded. By reason of his parliamentary and legal experience we may expect from him a sound and judicial attitude towards the different questions with which he may be called to deal.

I might say much more of Mr. Glen; he possesses other qualifications which we all know very well; I shall content myself, however, by saying that I feel that he does possess both in character and experience the qualities which will make him, if he is elected, an admirable Speaker, qualities which will enable him to fill that high office with dignity and due authority, with credit and distinction to himself and to this House of Commons and with honour to our parliament.

I therefore move, seconded by Mr. Lapointe (Quebec East):

That James Allison Glen, Esquire, K.C., member representing the electoral district of Marquette, do take the chair of this house as Speaker.

Hon. R. B. HANSON (Leader of the Opposition): Doctor Beauchesne, gentlemen of the House of Commons; I rise not to oppose the motion now before you, but rather for the express purpose of supporting it. The Prime Minister (Mr. Mackenzie King) has been good enough to outline some of the functions and duties of the first commoner of the Canadian House of Commons, as patterned on the mother of parliaments. He has named as his nominee, or the nominee of the government, a gentleman who has had long experi-

ence in its proceedings. The office of Speaker, as the Prime Minister has intimated, is an important one. It is not only important, but it is an old and honourable one; its history goes back for generations in our parliamentary life. Formerly the primary duty of Mr. Speaker was to protect the rights and privileges of the House of Commons as against the crown; that is to say, that is its historical background. This duty, however, is more or less obsolete in this twentieth century, because the privileges of the commons are now universally recognized. To-day the duties of the Speaker are primarily judicial in character. They are not executive; they do not partake of the administrative, except with respect to the internal economy of the house. Mr. Speaker has first of all to preside over the deliberations of this house. He must maintain the decorum and dignity of the house. He must protect the membership of the house from insult and indignity both within the house and without. Above everything else, in his judicial capacity he must maintain an equal balance among all the parties in this house. Briefly these are what I conceive to be the functions of Mr. Speaker.

The hon. member for Marquette (Mr. Glen) who has been nominated by the Prime Minister, in my opinion possesses these qualities in a high degree. He has had, I believe, a long and honourable career in his profession, which must have brought him into contact with conditions and situations which would give him an insight into what judicial conduct really means. As the Prime Minister has intimated, he has had also a long and extensive experience in this house. I believe he possesses the qualifications necessary to make a competent Speaker to preside over our deliberations. What we in this part of the chamber desire to impress upon him is this, that we in common with other parties shall be treated with that even-handed British justice which is so essential to the carrying on harmoniously of the deliberations of this house. If he conforms to the best traditions of his office, as I believe he will, we shall do our utmost to assist him in maintaining the dignities, the liberties and the privileges of the house. Personally I wish the hon. member for Marquette well.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Doctor Beauchesne, it is perhaps hardly necessary for us to say much after what has been said by the Prime Minister (Mr. Mackenzie King) and the Leader of the Opposition (Mr. Hanson). We in our group support the nomination of the hon. member for Marquette (Mr. Glen). The leader of the opposition has suggested that one of the old-time functions of a speaker was to protect the commons against the crown. I suppose that function is largely obsolete, but we believe that an important function of the speaker to-day is to have a sense of impartiality and to protect the minorities against the government. That may be highly necessary in a house of this composition. From our knowledge of the hon. member for Marquette through the years we are assured that he will recognize the high responsibility that will rest upon him as speaker, and we wish him every success in his new office.

Mr. J. H. BLACKMORE (Lethbridge): Doctor Beauchesne, the members of my group feel that if the reputation which was so well established by the Speaker who occupied the chair in the last parliament is maintained by the hon. gentleman who is now to take the chair we shall be fully satisfied. We realize that the hon. member for Marquette (Mr. Glen) has been nominated by the same right hon. gentleman who nominated his predecessor; we therefore expect that the same wisdom has been exercised in this selection as in the case of the former Speaker. The hon. member for Marquette has established a reputation for geniality and good nature among the members which has caused him to be well liked. At the same time he has the poise and dignity which cause men generally to respect him. We feel that these are qualities which are required in one holding the position of Speaker of this house, and I do not doubt for one moment either the hon. gentleman's disposition or his ability at all times to be fair in his judgments and impartial in his decisions. Therefore, Doctor Beauchesne, our group will support this motion.

The Clerk of the House declared the motion carried in the affirmative, *nemine contradicente,* and Hon. James Allison Glen, member for the electoral district of Marquette, duly elected to the chair of the house.

Hon. Mr. Glen was conducted from his seat in the house to the Speaker's chair by Right Hon. W. L. Mackenzie King and Right Hon. Ernest Lapointe.

Mr. SPEAKER-ELECT said: Gentlemen of the House of Commons, I beg to return my humble acknowledgments to the house for the great honour you have been pleased to confer upon me by unanimously choosing me to be your Speaker.

The unanimity which has been expressed from all sides of the house of my appointment to the high office of Speaker of this House of Commons imposes upon me duties so grave

and serious that I approach my task with very real humility and a profound consciousness of my own limitations.

In the days to come, I shall endeavour to discharge those duties in a manner not unbefitting our British parliamentary traditions, and, above all, I shall keep ever before me that, as presiding officer, I must exercise fairness and impartiality as between all members in the House of Commons and be, as has been said in this house "the protector of the rights of every individual member." I fully realise that only strict observance of these obligations will enable me to gain and retain the confidence and receive the advice, counsel and assistance of all hon. members, without which no Speaker can govern the conduct and decorum of this house.

To obtain that confidence I shall conscientiously strive and so far as in me lies I shall endeavour to prove worthy of the trust which you have this day committed to me.

LEADER OF THE OPPOSITION

REFERENCES TO THE SELECTION OF HON. R. B. HANSON, MEMBER FOR YORK-SUNBURY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, to adjourn this house with a view to having it sit again to-day would under the rules require a formal notice of twenty-four hours. In the circumstances I propose to move that the house suspend its sitting until three o'clock. Before, however, that action is taken, I should like to avail myself of the earliest possible opportunity to extend to the hon. member for York-Sunbury (Mr. Hanson) my warmest congratulations—and in so doing I speak also on behalf of all hon. members on this side of the house, and I think I may say on behalf of the house as a whole—upon the confidence which has been expressed in him by the members of his party and upon his assumption to-day of the office of leader of His Majesty's Loyal Opposition in this House of Commons.

May I say to my hon. friend that his choice as the one to become the leader of the opposition at this time did not come at all as a surprise to those of us who have been with him in previous parliaments. My hon. friend has had great experience in parliamentary life; indeed I imagine that only a few members of this house have served for a longer time in parliament. Though not a member in the last parliament, the present leader of the opposition has been in this house for a period of some fourteen or fifteen years. During that time he has taken a very active part in its proceedings. We know him to be a forceful debater; we know he has been very active in the proceedings of the commons generally. He has occupied important positions, as chairman of different committees of the house, and as a minister of the crown. If I am not mistaken my hon. friend is one of the two members of his party in this house to-day who have held portfolios in previous administrations. I should, of course, say that three hon. members opposite have been members of a previous administration, but I think only two of them actually held portfolios. My hon. friend was Minister of Trade and Commerce for a year or more in Mr. Bennett's administration. His present deskmate, the hon. member for Yale (Mr. Stirling) was Minister of National Defence in Mr. Bennett's administration for about the same time. The hon. member for Dufferin-Simcoe (Mr. Rowe) became a member of the same administration, but unfortunately for him there was a change in the administration before there was time to have him given a portfolio.

The parliamentary experience of my hon. friend the leader of the opposition will be of the greatest value, not only to him in the position which he now occupies but also to the House of Commons itself. I think I may say that no one in this house has a better knowledge of the responsibilities and anxieties which go with the position now occupied by my hon. friend than I have. For some seven years in all, I had the privilege of occupying the seat which he now occupies, so I know something of what is expected of a leader of the opposition and, as I have said, something as well of his responsibilities and anxieties.

Speaking of responsibilities and anxieties I think I may say that at this time of great peril in the affairs of the world, at this very solemn hour, all of us who are members of this parliament will be conscious alike of responsibilities and anxieties which I am equally sure it will be our desire to share. Just as the few free nations that still remain and those that until recently were free are looking for all the help they can get; just as England and France are sharing to the full the burdens of the struggle in which they are engaged; just as the British commonwealth of nations needs the effective cooperation of its every part, so we who are members of the government, with the great responsibilities we must bear at this time, are more conscious than we ever have been of the need for cooperation and help from hon. members in all parts of the house, and from none more than from the leader of the opposition and those who sit around him.

A few moments ago the hon. member for Winnipeg North Centre (Mr. Woodsworth) mentioned that he and others might require

the assistance of the Speaker to protect the minorities against the government. May I say to him that I am inclined to feel that the government may need the protection of the Speaker against the minorities. Seriously, however, I greatly hope that in this parliament at least we may not be as conscious of minorities and majorities as perhaps it has been found necessary to be in some previous parliaments, but rather that all may feel a profound sense of collective responsibility.

In this connection may I point out that the position of leader of the opposition is a most important one in the system of government as we have it under our constitution and is so recognized by statute. As hon. members are aware, the leader of the opposition holds a position which in degree of responsibility is, I should say, second only to that of the Prime Minister in the management of the affairs of the House of Commons.

Responsibility for government does not mean monopoly of government. In parliament, particularly in most critical times like the present, everyone can make some contribution to the needs of the day, and indeed will be expected to do so fearlessly and to the best of his ability. To a great extent an opposition can help a government in shaping the policies which may be best for the administration of public affairs. We shall not expect from the leader of the opposition the kind or degree of support which naturally we will expect from our own party. We will not expect to be exempted from criticism. Indeed one of the great functions of an opposition is that it may help to safeguard the proceedings of a government and that by its constructive criticism may prevent what might otherwise be in the nature of hasty or ill-conceived action, or what some might feel to be a lack of sufficient action.

We shall not expect, I say, to escape criticism, but I believe I am speaking for all hon. members when I say that I hope the house will be spared anything in the nature of recriminations. In the light of the great problems with which we are faced at this time, it would be our hope that criticism will be constructive.

In conclusion may I say that the co-operation which we believe we will receive from members in all parts of the house will be reciprocated in the fullest measure possible by the government. It will be our effort to work together in this House of Commons as one body of citizens who have, first and foremost in their hearts, the interests of their country, the interests of the great empire to which we all belong, the interests of free nations, and the interests of freedom throughout the world.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, at the very outset I desire to thank the Prime Minister (Mr. Mackenzie King) for his kind personal references to myself. I believe no one recognizes more than I do his own limitations, but because it is the unanimous wish of my colleagues that I assume this important duty, after the fullest and gravest consideration I have agreed to accept the responsibilities that have been placed upon me. I shall endeavour to discharge the function of the leader of His Majesty's Loyal Opposition not only in accordance with the best of my ability but, I hope, in accordance with the highest traditions of the office.

As the Prime Minister has said, we are meeting under extremely critical conditions. The whole of the civilized world is in a turmoil. Members of that group of free democracies of which we pride ourselves we form a part, are being attacked in the most vicious and violent manner that can be imagined by the human mind. As the senior dominion and an integral part of the British empire, Canada, along with our mother country and our gallant allies, is being attacked. It is the duty of Canadians, the duty of this parliament, the duty of the government charged with responsibility for the time being and, as I conceive it, my duty as the leader of his majesty's opposition, to render to the cause of liberty and freedom the very best that is in us.

Canada's participation in this great conflict which, I fear, may grow successively worse instead of better, should be bound only by our limitations in men, in treasure and in concentrated efforts. That, in my opinion, should be our one and undivided aim in the course of this, perhaps the most important session of parliament in the history of our dominion.

Of course we shall want to know what is going on. We shall expect from the administration a full accounting of its stewardship during the past seven or eight months. The Canadian people are asking for that. I fear that they have been too complacent during the early period of the war. However, now that the shock of this tremendous conflict is being borne in upon them, and through them to us, they desire to know the measure of effort Canada is putting forth at this time.

SUSPENSION OF SITTING

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I move that the house suspend its sitting until three o'clock this afternoon.

Motion agreed to.

At one p.m. the sitting was suspended until three p.m. this day.

The house resumed at three o'clock.

OPENING OF THE SESSION

Mr. Speaker read a communication from the assistant secretary to the Governor General, announcing that His Excellency the Administrator would proceed to the Senate chamber at three p.m. on this day, for the purpose of formally opening the session of the dominion parliament.

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Excellency the Administrator desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly the house went up to the Senate chamber. Then the Hon. James Allison Glen, Speaker-elect, said:

May it please your Excellency,

The House of Commons have elected me as their Speaker, though I am but little able to fulfil the important duties thus assigned to me. If in the performance of those duties I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons whose servant I am.

The Honourable the Speaker of the Senate, addressing the Honourable the Speaker of the House, then said:

Mr. Speaker, I am commanded by His Excellency the Administrator to assure you that your words and actions will constantly receive from him the most favourable construction.

Then His Excellency the Administrator was pleased to open parliament by a speech from the throne.

And the house being returned to the Commons chamber:

Mr. SPEAKER: I have the honour to state that the house having attended on His Excellency the Administrator in the Senate Chamber, I informed his excellency that the choice of Speaker had fallen upon me, and in your names and on your behalf I made the usual claim for your privileges, which his excellency was pleased to confirm to you.

OATHS OF OFFICE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

[Mr. Mackenzie King.]

SPEECH FROM THE THRONE

Mr. SPEAKER: I have the honour to inform the house that when the house did attend His Excellency the Administrator this day in the Senate chamber, his excellency was pleased to make a speech to both houses of parliament. To prevent mistakes, I have obtained a copy, which is as follows:

Honourable Members of the Senate:

Members of the House of Commons:

You have been summoned to the first session of a new parliament at a time of the greatest conflict in the history of mankind. Upon the outcome of the struggle will depend the maintenance of civilized society and the inheritance of human freedom for our own and future generations.

Since parliament last met, the nature of the conflict, the character of the enemy, and the perils which menace all free nations, have become only too clear. In that short space of time, the world has seen the peaceful and peace-loving peoples of Denmark, Norway, Holland, Belgium, and Luxembourg made the victims of the treachery and barbarism which have marked the successive outrages of nazi Germany. It has also witnessed the invasion of Finland, and, despite the epic resistance of its heroic population, the partition of that unoffending country. At any time, the lust of conquest may vastly enlarge the theatre of war. These tragic events have but served to intensify our determination to share in the war effort of the allied powers to the utmost of our strength. In this resolution the government has been fortified by the direct and unquestioned mandate of the Canadian people.

The organization and prosecution of Canada's war effort have commanded the unremitting attention of my ministers. The constant consultation and complete cooperation maintained with the governments of the United Kingdom and France have been materially strengthened by the recent visit to those countries of my Minister of National Defence.

You will be fully informed of Canada's action both in the military and economic fields. You will be asked to consider measures deemed essential for the prosecution of the war, and for the social and economic requirements of the country.

While the present session of parliament will necessarily be mainly concerned with Canada's war effort, and the measures essential to the achievement of ultimate victory, my ministers are of opinion that, despite what to-day is being witnessed of concentrated warfare, it is desirable, as far as may be possible, to plan for the days that will follow the cessation of hostilities.

As a contribution to industrial stability in time of war, and to social security and justice in time of peace, resolutions will be introduced for an amendment to the British North America Act which would empower the parliament of Canada to enact at the present session legislation to establish unemployment insurance on a national scale.

The report of the Royal Commission on Dominion-Provincial Relations, which has just been received, will be tabled immediately.

Members of the House of Commons:

You will be asked to make financial provision for expenditure necessitated by the existing state of war.

The estimates for the current fiscal year will be submitted to you without delay.

Honourable Members of the Senate:

Members of the House of Commons:

Since the last session of parliament, a much beloved Governor General has passed from our midst. In the death of Lord Tweedsmuir, Canada mourns one whose character and achievements had endeared him to our people; the British commonwealth has lost a wise and understanding counsellor, and the fellowship of writers a gifted interpreter of the graces and humanities of English literature. I join with you in the expression to Lady Tweedsmuir and the members of her family of the deep sympathy of the Canadian people.

His Majesty the King has been pleased to appoint the Earl of Athlone as His Representative in succession to the late Lord Tweedsmuir. The sense of duty and the public services which have distinguished the lives of the Governor General designate and the Princess Alice ensure for His Excellency and Her Royal Highness an eager and cordial welcome to Canada.

As you assume, in these dark and difficult days, the grave responsibilities with which you have been entrusted by the Canadian people, may your resolution be sustained by the knowledge that it is the liberties of all free peoples that you are helping to preserve. Unless the evil powers, which threaten the very existence of freedom, are vanquished, the world itself will inevitably be reduced to a state of international anarchy.

I pray that Divine Providence may guide and bless your deliberations.

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

That the order for the consideration of the motion for an address to His Excellency the Administrator in reply to his speech at the opening of the session, have precedence over all other business, except introduction of bills, until disposed of.

Motion agreed to.

STANDING COMMITTEES

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

That a special committee be appointed to prepare and report with all convenient speed lists of members to compose the standing committees of this house, under standing order 63, said committee to be composed of Messrs. Mackenzie (Vancouver Centre), Casgrain, Casselman (Grenville-Dundas), Taylor and Douglas (Weyburn).

Motion agreed to.

INTERNAL ECONOMY COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister) presented the following message from His Excellency the Administrator:

The Administrator transmits to the House of Commons a certified copy of an approved minute of council appointing the Honourable T. A. Crerar, Minister of Mines and Resources, the Right Honourable Ernest Lapointe, Minister of Justice, the Honourable J. L. Ralston, Minister of Finance, and the Honourable J. L. Ilsley, Minister of National Revenue, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 145 of the revised statutes of Canada, 1927, intituled An Act Respecting the House of Commons.

DOMINION-PROVINCIAL RELATIONS

REPORT OF ROYAL COMMISSION TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): I table herewith the report of the royal commission on dominion-provincial relations. The report is contained in three large printed volumes. There are in addition a very large number of volumes which constitute the appendices.

Hon. R. B. HANSON (Leader of the Opposition): Do the appendices contain the evidence?

Mr. MACKENZIE KING: I am sorry I cannot answer that question. I may tell my hon. friend the leader of the opposition that as yet I have not had an opportunity of opening the report to see what is in it, let alone the appendices; but I will give him the information later.

Mr. HANSON (York-Sunbury): I hope it does not turn out to be just another royal commission.

Mr. MACKENZIE KING: The report is tabled in both English and French. It was received on the tenth of this month, and at the time of its receipt I sent copies to members of the press gallery of this house so that they might have an opportunity of preparing in advance the resumes which they might wish to send to their newspapers throughout the country. I also had copies of the report and the appendices sent to the premiers of the several provinces so that they would be received this morning, before the tabling of the report in this house this afternoon.

Mr. HANSON (York-Sunbury): Have a sufficient number of copies of the report of the royal commission been printed so that at least each member of parliament will have a copy of this historic document?

Mr. MACKENZIE KING: Copies of the report are being sent to all hon. members. In fact, I am not at all sure that they have not already been sent out from the distribution office.

WAR MEASURES ACT

TABLING OF ORDERS IN COUNCIL PASSED SINCE AUGUST 25, 1939

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to table the orders in council passed under the authority of the War Measures Act since August 25, 1939. In January I tabled in typewritten form such orders in council as had been passed up to the end of the year 1939. Since then those orders in council have been printed, and they will be tabled in printed form. The orders in council passed since the end of last year, up to and including May 11 of this year, are being tabled in typewritten form.

Hon. R. B. HANSON (Leader of the Opposition): It would greatly facilitate my perusing the orders in council if at the time they are tabled a copy should be handed to me. Would that be in order?

Mr. MACKENZIE KING: As these orders in council have been passed copies have been immediately forwarded to the office of the leader of the opposition and also to the leaders of other groups in the house. I shall make quite certain that my hon. friend obtains a complete set.

Mr. HANSON (York-Sunbury): I thank my right hon. friend for his courtesy.

VACANCIES

Mr. SPEAKER: I have the honour to inform the house that I have received communications from several members, notifying me that the following vacancies had occurred in the representation, viz:

Of Walter George Brown, member for the electoral district of Saskatoon City, by decease;

Of Alonzo Bowen Hyndman, member for the electoral district of Carleton, Ontario, by decease.

I accordingly issued my several warrants to the chief electoral officer to make out new writs of election for the said electoral districts, respectively.

ACTING DEPUTY SERGEANT-AT-ARMS

Mr. SPEAKER: I have the honour to inform the house that I have appointed J. Laundy to be acting deputy sergeant-at-arms during the present session.

On motion of Mr. Mackenzie King the house adjourned at 4.04 p.m.

[Mr. R. B. Hanson.]

Friday, May 17, 1940

The house met at three o'clock.

EUROPEAN WAR

INQUIRY AS TO RECENT DEVELOPMENTS ON THE WESTERN FRONT

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, with your permission I should like to address a question to the Prime Minister (Mr. Mackenzie King). In view of the serious although, I hope, not critical situation which apparently has developed on the western front during the last few hours, is he prepared to make any statement to the house at this juncture?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend was kind enough to mention to me in advance of this afternoon's sitting that he would ask the question which he has just put to me. I might point out, as the house will observe, that there are no orders on to-day's order paper except the special order for the consideration of the address, to which precedence was given by resolution of the house yesterday; the procedure will be to take up at once the consideration of the address. However, the house will, I believe, agree that my hon. friend was quite right in availing himself of the earliest opportunity to ask the question he has just asked. I draw attention to the absence of orders of the day on to-day's order paper only lest some other members might feel that they were not being accorded an equal right if His Honour the Speaker ruled we should proceed at once to the consideration of the address.

Our most recent information indicates continued penetration by German forces along the Franco-Belgian border west of Sedan. For the most part the enemy forces engaged consist of mechanized forces assisted by aircraft. The situation is serious but is not considered critical. The French command are taking energetic steps, in cooperation with the United Kingdom, and it is expected the situation will be stabilized. The British and French air forces have proved very effective and a British air raid on the Ruhr has done great damage to the enemy. There is no doubt, however, that the situation is grave.

Mr. HANSON (York-Sunbury): With the permission of the house, may I add this. There is no doubt, as the Prime Minister has said, that the situation is very serious; let us pray that it is not critical. Having regard to that fact, may I, on behalf of the party which I have the honour to represent in this house, offer to the Prime Minister and the govern-

ment our whole-hearted support in any measures or actions which he may desire the house to take at this time.

Mr. MACKENZIE KING: May I express to the leader of the opposition (Mr. Hanson) my own very deep appreciation, and equally that of the government as a whole, of his kindness in availing himself of the earliest opportunity to offer to the government his support and that of his party in such action as the government may deem it necessary to take at this critical time. My hon. friend's words were not unexpected; I felt that we should be able to rely upon his helpful cooperation at a time such as this.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. HUGUES LAPOINTE (LOTBINIÈRE) AND SECONDED BY MR. JAMES SINCLAIR (VANCOUVER NORTH)

The house proceeded to the consideration of the speech delivered by His Excellency the Administrator at the opening of the session.

Mr. HUGUES LAPOINTE (Lotbinière) (Translation): Mr. Speaker, I appreciate as a high privilege the great honour which the Prime Minister has kindly conferred upon me at the beginning of this important session of a new parliament.

In my name and on behalf of those who have elected me as their representative in this House, I wish to tender him my heartfelt thanks.

There are here many new members who, like myself, have been summoned for the first time to the nation's parliament, and I am pleased to note that youth has secured its just share of success at the last election. Indeed, the Canadian Parliament has not since a long time numbered so many young men among its members, and I believe that the nation is justified in being glad of that. I am sure that their presence will not have the effect of dividing this House into groups made up according to age disparities but that it will rather insure a greater understanding of the serious problems which will be laid before us. It is essential, during the troublous and difficult times in which we are are now living, that the government should have the cooperation of citizens of all ages and classes. What the new members lack in experience will undoubtedly be offset by their sincerity in the performance of their duty and by their desire to dedicate all their talent and energy to the service of their country. The post-war period will give rise to problems disturbingly acute, the impact of which will unavoidably be felt more severely by youth than by any other class of the population. On their solution will depend the future well-being of our generation and of those which are still unborn.

We feel that we are cooperating in a great and useful work, and the clouds which are now darkening the world's horizon heighten the sense of responsibility which is an inherent part of our mandates.

The Right Honourable the Prime Minister achieved, on March 26 last, the greatest personal victory ever won by a government leader in Canada. No mark of confidence from the electorate has ever been so striking. The collective spirit of the Canadian nation found its expression in the recent vote and the prime minister's victory was the triumph of common sense. The government's war effort has been appraised and the people have endorsed it with a clear-cut verdict. For those of us who are from the province of Quebec the last election had a particular significance. It indicated that the province trusted her representatives; indeed, she gave an unmistakable proof of that trust on two occasions. The vote of March 26 was merely a confirmation of the verdict of October 25, when certain political leaders thought it clever to wage a provincial campaign on federal grounds, and I must say that we had a feeling of legitimate pride, during the last electoral campaign, when we heard that in some other provinces the contest was being waged on the slogan "Do like Quebec, vote unity." The vote in Quebec has shown that the province is just as mindful of her duty as she is jealous of her rights.

The unanimous approval which the Canadian people gave to the prime minister's policy has made his government truly national. The compact majority which supports him is not made up of loosely connected groups. It represents the whole country.

The government's victory has still another significance. It has shown that abuse and insult, and malicious personal attacks are not looked upon with favour during a critical period like this one and that the people will not allow their best servants to be slandered with impunity.

In the constituency of Lotbinière, which has done me the honour of electing me, as happened in several other constituencies, the contest was on the question of our participation in the war. The answer has been unequivocal and I am proud to transmit it to this House.

Upon this question of participation in this great conflict, I should like, Mr. Speaker, to quote the words of an eminent preacher whose sermons and lectures have been heard by distinguished audiences in Montreal during these latter months. On April 5th, Rev.

Father Ducatillon delivered a masterly lecture which he had entitled "Civilization, the true stake for which the war is being fought". After showing the part played by Christianity in the world's civilization, and the pagan programme which Naziism and communism have initiated, the distinguished cleric concluded as follows: "No one is justified in keeping aloof from the present conflict, since it is war for or against right, for or against culture, for or against civilization."

We have seen treaties broken, and nations invaded; in short, everything that has upheld civilization until now and everything that could ensure the security of nations has been trampled upon.

Just a few days ago, three neutral countries whose only fault was that they trusted in solemn covenants, fell victims to their good faith and were treacherously attacked. May I mention in particular the heroic Belgians, those martyrs of the last war, who are once again defending their land against that new invasion of barbarians.

Will any one say that we are not interested in all that? Will any one say that the wild beast which has broken loose upon the world does not constitute a danger for us? Will any one say that we can remain unconcerned about the fate of liberty and of those principles to which all free men have clung tenaciously for so many centuries?

For my part, I refuse to believe that my fellow citizens can stand by unconcernedly while these principles are engulfed in the surging tide of the abominable doctrines and practises of the Hitlerian and Soviet dictatorships. How can we remain neutral when this diabolic doctrine of "Might is right" threatens the entire world?

We believe in eternal justice and truth, twin beacons a passing cloud may dim momentarily, but which must reappear and shine forth with a sovereign radiance, to guide a civilization founded on Faith and Hope. Such are the truths we are committed to defend.

Now what would be for us the consequences of a German victory? I have never been, nor do I intend ever to become an ardent supporter of out-and-out imperialism. History teaches us that empires, being essentially the product of human enterprise, can never as such stand wholly free from imperfection. Yet I state without hesitation that at this critical moment in the lives of all nations, when the very existence of our democratic institutions is threatened, the dismemberment of the British Empire, as well as the defeat of France our ally, would be an irreparable catastrophe, opening wide the gates

to all the subversive doctrines which are not without causing a certain degree of apprehension to the very ones who have made it fashionable, in certain circles, to denounce the present system. Everyone is aware that the dismemberment of the British Empire is one of the avowed war aims of the German Reich, and Hitler has never ceased to predict that the Empire would crumble the day war was declared in Europe.

Now, Mr. Speaker, I ask the hon. members of this house, I ask all my fellow citizens, would we not be deeply affected under the present circumstances by the consequences of such a dismemberment? What would become of us in the event of such a disaster? What would become of those who have, at the moment, nothing but criticism for the ties that bind us to England? Do they believe for a second that a victorious Germany would pay little heed to Canada with her immense resources and wealth? Do they believe that we Canadians, a small nation of some ten million people, occupying a territory five times the size of France, could safeguard the freedom and autonomy we enjoy to-day? Do they believe, especially, that we could long maintain our racial characteristics, our mentality, our liberty and our faith?

I am aware that numerous hypotheses have been advanced with regard to the consequences of an enemy victory. Some have claimed that in such circumstances there could only accrue a greater measure of autonomy to our country because, they allege, our neighbours to the south would never permit a German invasion of Canada.

I do not share this opinion which is rather devoid of pride. It is undoubtedly true that there exist between Canada and the United States friendly relations which are extremely helpful to us in the present conflict. Our geographical position as well as our economic interests bind us strongly together. On the other hand, is there not reason to fear that these very factors may tend to weaken our position as a separate entity among the nations of the world and inevitably lead to a total absorption which, though preferable to German domination, would nevertheless mean the complete disappearance of everything Canadian? For my part, I confess that I would rather remain a good neighbour.

Mr. Speaker, the country has rallied to the leadership of a man who is sure of his ground, whose concern for our national interests is everywhere manifest and who is worthy of trust. Is it not therefore the duty of every patriotic citizen to give wholehearted support

to those whom the people have unequivocally chosen as their leaders during this trying period of our national life?

Consequently, let us now forget any disagreements which may have arisen between us during the last campaign. Let us not burden with personal considerations the solution of our national problems.

This country has entered the war of its own volition, as a free nation. It has done so, not under the orders of a foreign power nor by act of a foreign government, but by an Act of its own Parliament freely voting to participate in the European conflict. The people have recently approved this stand of the Canadian Government, in circumstances with which you are all familiar.

Is it not thus imperative that all cooperate in the effort already launched? Is it not necessary that the unity so achieved be made evident in all fields of endeavour, in order to advance efficiently the work accomplished since Canada is too great and beautiful a country for us to allow her to be divided by misunderstanding at a time when we should be strongly united. A nation is a living organism whose functions are all interdependent, and anyone attempting to destroy this solidarity at a time when it is vitally important would be guilty of treason.

The work begun must be efficiently pursued and the unity achieved at the outbreak of war maintained. It follows that we must devote all our energy to the attainment of these ends, failing which all our efforts would, to my mind, be wasted. These two aims are inseparably bound together. The achievement of the first is predicated on the existence of the second.

In order to achieve this first aim, I believe it imperative for the government to pursue the policy established at the outbreak of war, and since then applied with energy and determination.

This policy has taken into account the most effective ways of exerting Canada's war effort and assisting our allies.

May I be permitted especially to praise the part played by our country in the drafting and development of the great Commonwealth air training scheme? Recent events have made clear the vital importance of a powerful air force, and Canada's efforts in this field should prove a decisive factor in settling the issue of the present conflict.

I would also like to congratulate the government for having taken all the measures necessary to safeguard and maintain our financial and economic position.

Our efforts in the allied cause shall prove valuable only insofar as we remain a strong nation, economically as well as morally. The presence of a bankrupt country in the allied ranks would be a liability rather than an asset to the cause we are pledged to defend.

Moreover, the government will have to adopt measures designed to prevent, as much as possible, any rupture of balance in the normal life of this nation resulting from the war. Legislation has already been passed in order to curb any profiteering such as the Canadian consumer experienced between 1914-18. To the same end, the government has eliminated all political patronage in the administration of the Department of National Defence. Through the Bank of Canada, the country's credit has been stabilized. Other measures will undoubtedly have to be adopted as we go along to cope with future problems. The effective pursuit of the war will inevitably call for sacrifices on the part of the Canadian people who will be subjected to all manner of restrictions, but such sacrifices in a common cause are a pledge of unity, and we have the right to expect that the Canadian nation will emerge from this war stronger and more united than ever.

That second aim, the preservation of Canadian unity, we must achieve and maintain, if we want to safeguard the future of our country. Canada must remain united. We are at war of our own free will. Canada's war effort is voluntary and must remain voluntary. Suggestions to the contrary coming from scattered quarters would lead to catastrophe.

Canada is fighting in defence of international decency, inviolability of treaties and respect for sacred pledges. Our people would never allow our public men to break with impunity the solemn undertakings given to the nation.

Nothing should be done, no word should be uttered that could in any way destroy national unity.

God forbid, Mr. Speaker, that we repeat the mistakes of the last war. Let us so apply our effort that we may, once the hostilities are over, carry on as a homogeneous nation.

Let us not forget that we are Canadians first and that it is our duty to think and act as Canadians. In this connection, may I be permitted to pay tribute to the memory of one whose death has deeply grieved the whole Canadian nation: Lord Tweedsmuir. Although he had spent only a few years with us, he had learned to understand and love our people, and for a great many his record in Canada could serve as an object-lesson in true patriotism. Lord Tweedsmuir once said that a Canadian's first loyalty should be to Canada. It is my conviction that this principle should

be the guiding light of every honourable member of this house during the present Parliament.

Another task devolving upon the government under present conditions is that of planning for the post-war period. There again we must draw a lesson from the last war. If our participation in the European conflict creates problems of a special nature, our eventual return to normalcy after the war may prove equally difficult.

As I have said, the presence of a large number of young members in this house ought to prove helpful in solving our national problems. They should give special attention to post-war problems.

During the dark years which may lie ahead of us, the youth of this country will be called upon to make the greatest sacrifice. Those of our young men who are already overseas and the others who will sail shortly have a right to expect that, in return for their sacrifices, their government will take appropriate measures to ensure that their lot will not be worse when they return to this country. Provision will have to be made for the civil reestablishment of those who have not hesitated to risk their future in the cause of justice and in defence of civilization.

This planning for the post-war period must also be extended to other fields. If, as a free nation, we are bound to help save civilization now in jeopardy, we must by the same token discover a formula whereby the welfare of humanity may be secured.

All nations firmly believe, for a time at least, in the possibility of a durable peace and in the effectiveness of institutions designed to bring about the peaceful solution of disputes. The failure of the League of Nations does not prevent this hope from rising anew to-day. Indeed, the human race would soon disappear if it gave way to despair. Public opinion in democratic countries is fully aware of the deadly peril with which western civilization would be faced as a result of a Nazi or Soviet triumph over the international community, and demands a better and more effective formula than that of 1919.

Of what avail would be the sacrifices made and the losses suffered if the settlement effected at the end of the present conflict were to result once again in nothing more than a twenty-year truce. For my part, I am convinced that divine Providence, having ever guided our destiny, will not fail us now and that God will inspire the nations that have taken up arms to safeguard world peace and freedom against what has been fittingly termed "the common front of barbarism."

Mr. Speaker, it is our earnest desire that Canada should exert among all other nations a beneficent influence toward world peace and the establishment of better relations between all countries. Such influence cannot become an important force unless we introduce at home certain reforms that would make of Canada a nation united and strong, socially, economically, and politically.

That is why I have noted with satisfaction that the report on Dominion-Provincial relations in the various spheres of activity has now been submitted to this house. This document, probably the most important since Confederation, is the work of prominent men, experts in constitutional law; may I be permitted to add that the Chairman of the Commission, Doctor Joseph Sirois, was my professor at Laval university. These men have brought to their task all of their knowledge, patriotism and experience.

In considering the recommendations contained in this report, the various governments should take into account the new conditions which have arisen in our national life.

Surely the Fathers of Confederation could not foresee the evolution which has taken place during the past 75 years, and should certain changes become necessary because of new conditions, we should not hesitate to make them.

To that end, the greatest possible degree of cooperation should exist between the Dominion and the provinces. In this sphere also there is no room for political considerations. Besides, our population will make the necessary distinctions and will not deny its support to the proper measure of reform; our people would not even lend an ear to those who, taking an easy course, set themselves up as defenders of rights and principles contested by no one and which, in fact, must remain inviolate.

I know of no greater danger for a minority in this country than to stand in the way of reforms necessitated by our social conditions and to oppose any measure deemed progressive and essential.

I could not fittingly conclude these remarks without expressing the deep satisfaction which we have felt on hearing that His Excellency Lord Athlone had been designated for the post of Governor General of Canada. Our new viceroy has had a distinguished career and his appointment is a great honour to this country.

Lord Athlone and Her Royal Highness the Princess Alice will receive in every part of Canada a most loyal and enthusiastic welcome. Their near association with Their Majesties King George and Queen Elizabeth will draw even closer the bonds which unite us to our gracious sovereigns, whose visit to Canada last year shall ever be remembered.

(Text) Mr. Speaker, one of the most remarkable developments of the present war has been the joining of France and England into one nation for all military and economic purposes. Many prophecies have been made regarding the outcome of this union after the war. At the present time their imports are for the use of both nations, their monetary systems have been harmonized, custom barriers have been adjusted. In short, the whole economic life of the two nations has been coordinated for the purpose of war. The understanding between these two countries is being observed in other spheres of activity. Their literature is being fully exchanged and the teaching and learning of each other's language has increased tremendously. In short, the union between the two countries has been not only material, but also intellectual and spiritual. What the outcome of this union will be after the war, it is hard to tell. Some observers have gone so far as to prophesy the union of France and England into one nation.

At a reception given at the Sorbonne to Lord De La Warr, former president of the Board of Education in the British government, Monsieur Albert Sarraut, Minister of Education in the government of France used these words:

It is our intention to spread as much as possible the study and use of the English language in France and vice versa. To speak another language is not sufficient. We shall teach France to the English people and England to the French people. We aim to create such a mutual understanding, that it shall not be necessary any longer to interpret words which will be understood immediately in their deepest sense. When we have finished with war, we hope that our children will be ready to help us in the task of rebuilding the world, not through the efforts of two people of different ideas, but through those of one common spiritual nation and one uniform civilization.

Whatever changes are being made, it seems certain that from the war will emerge a new relationship between France and England which will surely have its effects in future history and which will serve as a symbol of bonne entente for the other nations of the world. If so, I feel that we, Canadians, should rejoice at such an outcome and feel a legitimate pride in that we have already realized such a union.

In saying so, may I be permitted modestly to point out that never before in the history of our country has this union been more complete than it is now and that it has been under the leadership of two men whose whole careers have been devoted to this task, and who have for such a long time cooperated in intimate friendship and collaboration. I refer to the Right Hon. the Prime Minister (Mr. Mackenzie King) and to the Right Hon. the Minister of Justice (Mr. Lapointe).

(Translation) Mr. Speaker, I have the honour to move, seconded by the hon. member for Vancouver North (Mr. Sinclair) that the following address be presented to His Excellency the Administrator of the Government of Canada:

May it please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the House of Commons of Canada, in parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both houses of parliament.

Mr. JAMES SINCLAIR (Vancouver North): Mr. Speaker, in rising to second the resolution which has just been moved by the hon. member for Lotbinière (Mr. Hugues Lapointe), I must confess that I have never before been so aware of my own limitations as after hearing his brilliant and eloquent address. The right hon. Minister of Justice (Mr. Ernest Lapointe), during his long and distinguished career in Canadian public service, has enjoyed many great personal triumphs, but I know that none has ever made him feel prouder or happier than he is at this moment, after hearing his son so ably begin what will undoubtedly be a parliamentary career as long and successful as that of his distinguished father.

May I offer to you, Mr. Speaker, my congratulations upon your election by this honourable house to the distinguished position which you now occupy. What little confidence I may possess this afternoon is because of my consciousness that I can seek shelter and sanctuary in these somewhat strange surroundings under the sway of your kindly Doric.

May I also, if indeed that be not temerity, offer my sincere felicitations to the leader of the opposition (Mr. Hanson) upon the honour that his party has conferred upon him. I am assured that his great gifts will be a real asset to his party, to this parliament and to our country.

May I in a special way thank the right hon. the Prime Minister (Mr. Mackenzie King) for the honour he has done my constituents in Vancouver North in selecting me to second the motion for an address in reply to the speech from the throne. On their behalf, too, may I congratulate him on becoming Prime Minister for the fifth time. Four years ago he was elected to office by the mandate of the Canadian people, supported by the greatest majority ever accorded to any Canadian Prime Minister. To-day, after an election fought solely on his administration since that time, we find him returned to office with a majority surpassing even that of 1935.

No words of mine, nor for that matter no words of the most able and eloquent member of this house, could so strikingly testify to his outstanding qualities of leadership as did the collective voice of the Canadian people from Cape Breton to Nootka sound when it spoke on the 26th day of March of this year. The record of his administrations and the repeated and overwhelming approval given to him by the people of Canada mark the Prime Minister as our greatest leader since confederation.

All Canada was saddened this spring by the death of the governor general, Lord Tweedsmuir. We have always been fortunate in the calibre of the men who have held this high office, and it is neither an exaggeration nor a reflection to say that none was as highly and as warmly regarded by the common people of Canada as was Lord Tweedsmuir. Of humble parentage, he won his education in a manner which is traditional with Scottish scholars, by bursaries at Glasgow university, by fellowships at Oxford. His administrative ability was early recognized, and he went to South Africa as one of that group of brilliant young men who were trained for public service by Lord Milner. Then came literature—fiction, history, and, above all, incomparable biography.

He served with distinction in the great war, and afterwards returned to public life as a member of the mother of parliaments. When he came to Canada we already felt that we knew him well through his books, and soon we all had a chance to see and hear and meet him. We saw him in our great cities; we saw him in the pioneer settlements on our distant frontiers; we saw him in the small communities which are the real Canada, and we marvelled at his untiring industry and his burning desire to know our country from coast to coast and our people through and through.

He had the same great love of the outdoors that so many Canadians have, and we from British Columbia are proud to think that the mountains and valleys, the lakes and streams, and the great forests and the broad ranges of Tweedsmuir park will be forever a fitting and ever green memorial to this man whom I can rightly call a great Canadian. The man who was born John Buchan, a son of the manse, and who died the first Baron Tweedsmuir, a great proconsul of a great empire, may best be described in the words he himself used of Lincoln:

> He conducted the ordinary business of life in phrases of homespun simplicity, but when necessary he could attain a nobility of speech and a profundity of thought which have rarely been equalled. He was a plain man, loving his fellows and happy among them, but when the crisis came he could stand alone. He could talk with crowds and keep his virtue; he could preserve the common touch and yet walk with God.

I know, Mr. Speaker, that you will understand me when I say that we who hail from the far west felt a very natural pride yesterday when parliament was opened by the Administrator, Chief Justice Sir Lyman Duff. This great jurist, who by his profound learning has brought added dignity and prestige to his high office, first achieved recognition in the fair city of Victoria.

The people of Canada look forward with the greatest pleasure to welcoming the new governor general, the Earl of Athlone, and his gracious lady, when they come to our shores in the near future. It is a curious coincidence that the noble earl should come to us at this time; for twenty-six years ago, just before our entry into the last war, he was designated our governor general. At that time he asked to be excused so that he could go on service in France, and throughout that war he served with great valour and distinction. Subsequently he became the governor general of South Africa and he so completely captured the hearts of the people of our sister dominion that they asked him to remain for a second term. We are indeed fortunate to have this great soldier and statesman as governor general during the dark days ahead.

I understand that it is the privilege of the member performing this pleasant task to say a few words about his own constituency. Vancouver North, the riding which I have the honour to represent, is not as its name suggests, a part of the great city of Vancouver. It lies to the east, to the north and to the northwest of that city, extending from the banks of the Fraser river across to Burrard inlet, and then up the coast for some two hundred miles. I feel quite safe in saying that it is the most diversified industrial riding in British Columbia, containing as it does logging camps, sawmills, pulp and paper mills, the greatest copper mine in the British empire, shipyards, oil refineries, railway shops, extensive salmon and cod fisheries, quarries, grain elevators and a number of manufacturing plants.

The chief problem of this riding has always been to find world markets for the many products of its industries. In no part of this country have the trade expansion policies of the preceding administration been of such immediate and practical benefit, and the people of my riding are keenly appreciative of the great efforts of the government in this connection. In recent months the war has considerably increased the demand for the

products of my riding, but unfortunately it is becoming exceedingly difficult to secure adequate cargo space to transport these goods to overseas markets. In the timber industry especially this condition has become serious, and it is my hope that the government will soon consider measures looking to its alleviation.

My riding also includes three of the loveliest suburbs of Vancouver, but I regret to say that two of these municipalities are in the hands of receivers. It is the feeling of the residents of North Vancouver that their financial difficulties are mainly due to the action taken in removing most of the taxable waterfront in North Vancouver from the municipal assesssment rolls, and to the operation by a national agency of the Second Narrows bridge which was built and financed by the people of this district. At a later date I hope to draw the attention of the government to these matters in greater detail.

My riding has one other important asset, one which I believe is often claimed for other ridings. I believe that nowhere in Canada is there such a magnificent and varied display of scenic grandeur as is to be found on the coast of British Columbia. Our snow-capped mountains, our beautiful lakes and streams; our matchless coastline indented with innumerable great bays and deep fiords and dotted with countless islands; our unexcelled hunting, fishing, mountaineering and ski-ing, and above all, our salubrious climate, which is the envy of all Canada, serve to make the coast of British Columbia the mecca of tourists and sportsmen from all corners of the globe.

Transcending and overshadowing every other issue before this house, Mr. Speaker, is the war in which the British and French nations are engulfed. This war is not of our seeking, but is a conflict which was forced upon us when it became apparent that the brutalities, the treacheries and the aggressions of nazi Germany directed against its small and defenceless neighbours were destroying the peace of the entire world and could not be curbed by mere appeals for decency and tolerance and justice or by the ordinary processes of international law. To preserve the rights for which our forefathers fought and died since magna charta, the people of Canada, speaking through their freely chosen representatives assembled in parliament, decided that the time had come to meet force with force. Some two months ago the people of Canada approved the united war effort of the preceding administration. The people of Canada now expect this government to press forward with all the resources at their command to help our allies bring this dreadful conflict to a speedy and successful conclusion.

There were some who believed that complete neutrality should be Canada's attitude; they cited the long and successful neutrality of the Scandinavian and low countries as proof of the wisdom of that course. The terrible events of the last month must have proved a rude awakening to these people.

The preceding administration was elected in peace time, to govern this country in peace time. Long before the war clouds began to gather in Europe, we are proud to remember that despite vigorous opposition this government began to build up our national defences and to prepare the skeleton organization for the control of the economic resources of this country should war develop. We on the Pacific coast have had a better opportunity than most people in other parts of Canada to see and appreciate the great work of the Department of National Defence in providing us with an adequate system of coastal defences. The people of Vancouver Centre recently showed their approval in no uncertain terms of the man chiefly responsible for that program of coast defence.

The present government takes over its duties refreshed and invigorated by the overwhelming mandate of the people of Canada, and is directly charged with the great task of immediately supplying the maximum military, financial and economic aid to our allies in this death struggle. I am sure that in this house to-day partisanship will be cast aside and members of all parties will devote all their energies to assisting the government in this great task.

Mention is made in the speech from the throne of increased taxation to assist in financing the war. I think everyone in Canada realized that increased taxation must come. I am sure that today no one objects, because everyone understands only too clearly that if we lose this war, we lose everything. No financial sacrifice can equal that of those who are leaving homes and loved ones behind and offering their lives for their country.

Second only in importance to our great war effort is the planning for the reconstruction and rehabilitation of this country after the war is won. It has been said that no peace-loving democracy is ever adequately prepared for war. It is surely equally true that a democracy at war should plan and prepare for peace.

There has been another bitter struggle fought in this country during the last ten years, a struggle which has been waged, grimly and silently, in far too many Canadian homes. I refer to the never-ending struggle against unemployment, poverty and disease, against old age haunted by the fear of want; the struggle of the youth of the

country who have been frustrated in a desperate search for gainful employment. These are the enemies which destroyed the struggling post-war democracies of central Europe; these are the foes we must conquer in the post-war years if Canada is to survive as a free country.

The measures adopted by the preceding administration to combat these conditions were proving increasingly successful in peace time. I need mention only briefly the expanding markets provided by their trade policies; the beginning of a national forestry plan through dominion-provincial forestry camps; assistance in the development of tourist and mining roads and trails; vocational training in the cities and farm training in rural areas for our young people; municipal assistance, the National Housing Act, home improvement loans, and numerous great public works projects. This programme must of necessity be greatly extended and expanded to meet the needs of the post-war years.

We must plan to reconstruct not only our industrial and economic organizations but also the social structure of this nation. It has been increasingly apparent in recent years that grave difficulties in government are occasioned by the present division of responsibility among the federal, provincial and municipal authorities. The British North America Act was drawn up in 1867 to meet the needs of the Canada of that time, a Canada vastly different from the Canada of to-day; a Canada, for example, in which our present chief problem, unemployment, did not exist. It is high time that the constitution of Canada was revised to bring it abreast of present conditions in this modern changing world. It is a matter of satisfaction, therefore, that the report of the royal commission on dominion-provincial relations has been tabled, and it is the hope of all Canada that out of the recommendations of this report the framework of a new Canada may be designed which will allow the governments of this country to grapple effectively and efficiently with the problems which will develop in the post-war years.

As the representative of an industrial riding I am gratified to learn from the speech from the throne that an amendment of the British North America Act is being sought to permit the introduction of a national scheme of unemployment insurance. Such legislation will be most welcome in every part of Canada. While it is true that unemployment insurance is no solution of the problem of unemployment, it will serve as a buffer to lessen the shock of unemployment on the individual as well as on the community at large.

Measures for the rehabilitation of our soldiers when demobilized will of necessity, I think, have to be expanded to include provisions for war workers and others who will be directly or indirectly affected by the cessation of hostilities. The government will probably profit by the experience in the matter of soldiers' civil reestablishment after the last war.

The honour of seconding the address in reply to the speech from the throne is one which any young member may well prize, since it affords him an opportunity to speak to the house so soon after his arrival, to felicitate the leaders of his country, to mention briefly the problems of his riding, to review with pride the past accomplishments of his party, and to hold out high hopes for the success of the program outlined in the speech from the throne. To-day, however, this honour seems singularly unimportant; for the minds of all of us here are heavily burdened with just one thought, the progress of the war in which we are now engaged.

For far too long we have taken for granted the rights and privileges of British subjects, and the vast resources and the boundless opportunities of this land of ours. Now that all of this is in jeopardy we realize that these things are infinitely precious, that life without them would be impossible. Our freedom of speech, our freedom of person, our freedom from racial and religious intolerance, our right to elect freely by secret ballot, our government—all these things will surely perish if we lose this struggle.

Until a month ago it was generally thought that this war was to be a defensive war, a war of exhaustion and attrition in which the economic resources of the nation would eventually be of more value than the military organization. The events of the last month have changed the whole outlook. The German hordes have swept across Denmark and Norway and are now sweeping across the low countries. It is apparent that man power and the material of warfare are the crying needs of our allies, and it is our manifest duty to aid them in this way as speedily as possible, no matter what the cost may be.

Dominating this building in which we sit is a peace tower erected to commemorate the sacrifices of the last war. In that tower is a hall of remembrance to sixty thousand Canadians who gave their lives for their country. Across Canada from coast to coast are tens of thousands of returned soldiers whose lives have been broken by the injuries they sustained in the last war. These are terrible reminders to us of the price other Canadians have paid that we might have this freedom.

This parliament meets in the darkest days since our nation was born. The hopes and the prayers of all Canada are with us to-day.

This is no time for complacency. It is a time for united effort, for ceaseless endeavour; above all, for action, fearless action. This is the time to subordinate all other affairs, to smash away the political bickerings and the departmental red tape which in the past have impeded democratic action. This is the time to mobilize with ruthless speed every resource of this vast country.

We, the Commons of Canada, assembled within these four walls, have the power to do these things, and the people of Canada, who sent us here, expect us to use that power so that we and our allies, with God's aid, may win a peace which will ensure the freedom of the peoples of this world.

On motion of Mr. Hanson (York-Sunbury) the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 4.30 p.m.

Monday, May 20, 1940

The house met at three o'clock.

NAVAL SERVICE ACT

PROVISION TO MAKE CIVILIANS SERVING IN SHIPS SUBJECT TO NAVAL DISCIPLINE

Hon. NORMAN McL. ROGERS (Minister of National Defence) moved for leave to introduce Bill No. 2, to amend the Naval Service Act.

Mr. STIRLING: Explain.

Mr. ROGERS: The purpose of this bill is to make subject to naval discipline persons who have agreed to serve as civilians in a particular ship or in such ships as may be determined by the minister. These are persons who are not members of the Canadian naval forces and eligible for all the benefits such as pension and so forth applicable to such forces. The bill is identical in form with one passed by the United Kingdom parliament to meet a similar situation arising in the Royal Navy. It will avoid the emergence of questions which arose at the end of the last war with respect to persons employed in the Canadian naval forces in a similar capacity.

Motion agreed to and bill read the first time.

MILITIA PENSION ACT

PERMANENT FORCE NAVAL OFFICERS TO BENEFIT IN RESPECT OF ONE-HALF OF PREVIOUS NON-PERMANENT SERVICE

Hon. NORMAN McL. ROGERS (Minister of National Defence) moved for leave to introduce Bill No. 3, to amend the Militia Pension Act.

He said: The purpose of this bill is to enable officers of the permanent naval forces to reckon for purposes of pension one-half of any former time served in the non-permanent naval forces, thereby placing these officers on the same basis as officers of the permanent military and air forces with respect to the inclusion of one-half their previous service in the non-permanent military and air forces.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE ACT

ADMINISTRATION OF SERVICE ESTATES TO BE REGULATED BY GOVERNOR IN COUNCIL

Hon. NORMAN McL. ROGERS (Minister of National Defence) moved for leave to introduce Bill No. 4, to amend the Department of National Defence Act.

He said: The purpose of this bill is to enable the administration of service estates to be effected under regulations made by the governor in council. Regulations in this regard have already been made under the War Measures Act, and, so long as that act is capable of being invoked, such regulations have the force of law. Of necessity these regulations may have to be continued in force and effect for some time after the War Measures Act is capable of being invoked, and, in consequence, some other statutory authority is required to enable the governor in council to make such regulations.

Motion agreed to and bill read the first time.

ROYAL CANADIAN AIR FORCE

PROVISIONS AS TO CONSTITUTION AND GOVERNMENT, RELATIONS WITH OTHER FORCES AND WITH CIVIL AUTHORITIES

Hon. NORMAN McL. ROGERS (Minister of National Defence) moved for leave to introduce Bill No. 5 respecting the Royal Canadian Air Force.

He said: The Royal Canadian Air Force was constituted under the Aeronautics Act, which pertains rather to the regulation of aeronautics generally than to the constitution and maintenance of an armed force. The naval forces and the militia are each constituted under their respective acts, and it is considered advisable that like provision should be made for the air force.

The present bill does not alter the existing constitution of the air force, and is in principle similar to the Naval Service Act and the Militia Act, except that it omits a number of provisions contained in those two acts which are either not applicable to the air force or need not, having regard to the circumstances of the air force, be made applicable.

Motion agreed to and bill read the first time.

CANADA EVIDENCE ACT

ACCEPTANCE OF AFFIDAVITS IN LIEU OF ORAL EVIDENCE IN CERTAIN PROCEEDINGS

Right Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 6, to amend the Canada Evidence Act.

He said: By a statute of 1938 amendments were made to the Canada Evidence Act having for their purpose the facilitating of evidence in certain matters; it was provided that an affidavit should be accepted as evidence without the necessity of hearing certain witnesses who might live a very long distance from the court. This amendment is for the purpose of making the first amendment easier of application, inasmuch as it will not be necessary to prove the official character of the person making the affidavit unless it is challenged.

Motion agreed to and bill read the first time.

CANADA GRAIN ACT AMENDMENT

CORRECTION OF INACCURACIES IN CHAPTER 36 OF STATUTES OF 1939

Hon. JAMES A. MacKINNON (Minister of Trade and Commerce) moved for leave to introduce Bill No. 7, to amend the Canada Grain Act.

He said: The purpose of this bill is to correct three inaccuracies that appear in the amending act of 1939.

Mr. HANSON (York-Sunbury): What are they?

Mr. MacKINNON (Edmonton West): An explanation will be given on the second reading.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. C. D. HOWE (Minister of Transport) moved for leave to introduce Bill No. 8, respecting the appointment of auditors for national railways.

He said: This is the usual bill introduced annually to provide for the appointment of auditors for Canadian National Railways.

Mr. HANSON (York-Sunbury): The same auditors?

Mr. HOWE: The same as those of last year.

Motion agreed to and bill read the first time.

[Mr. Rogers.]

JOINT USE OF CERTAIN TRACKS AND TERMINALS FOR PURPOSES OF NEW ENTRANCE INTO VANCOUVER

Hon. C. D. HOWE (Minister of Transport) moved for leave to introduce Bill No. 10, to ratify and confirm a certain agreement respecting the joint use by Canadian National Railways of certain tracks and premises of the Vancouver, Victoria and Eastern Railway and Navigation Company, at Vancouver, in the province of British Columbia.

He said: The purpose of this bill is to ratify an agreement with Canadian National Railways for running rights over certain tracks and premises of the Vancouver, Victoria and Eastern Railway and Navigation Company at Vancouver in order to give the Canadian National Railways an entrance into Vancouver. This object could be approved by the board of transport commissioners to be operative for a period of not more than twenty-one years, but as the agreement is in perpetuity it is necessary to apply for the approval of parliament.

Motion agreed to and bill read the first time.

BEAUHARNOIS POWER COMPANY

PROPOSED APPROVAL FOR DIVERSION OF ADDITIONAL 30,000 CUBIC SECOND FEET

Hon. C. D. HOWE (Minister of Transport) moved for leave to introduce Bill No. 9, respecting the Beauharnois Light, Heat and Power Company.

He said: By chapter 19 of the statutes of Canada, 1931, the Beauharnois Light, Heat and Power Company were granted the privilege of diverting 53,000 cubic second feet of the flow of the St. Lawrence for power purposes. The object of this bill is to increase that diversion by 30,000 cubic second feet.

Motion agreed to and bill read the first time.

YUKON ACT AMENDMENT

VALIDATION OF YUKON FUR EXPORT TAX ORDINANCE ACT ASSENTED TO MAY 20, 1919

Hon. T. A. CRERAR (Minister of Mines and Resources) moved for leave to introduce Bill No. 11, to amend the Yukon Act.

He said: As far back as 1919 power was conferred upon the Yukon territorial council enabling them to provide for a tax on raw fur exported from the Yukon. A doubt has arisen, curiously enough at this late date, as to the precise powers which the territorial

council had to impose such a tax. This bill is intended to make it clear beyond any question of doubt that they have the power, and also to confirm whatever actions they have taken in the past under that power.

Motion agreed to and bill read the first time.

NORTHWEST TERRITORIES ACT

JURISDICTION OF PROVINCIAL COURTS—CARE OF INSANE PERSONS

Hon. T. A. CRERAR (Minister of Mines and Resources) moved for leave to introduce Bill No. 12, to amend the Northwest Territories Act.

He said: Under the Northwest Territories Act as it stands at present the superior courts of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia have jurisdiction in civil matters with respect to persons and property in that part of the Northwest Territories which lies west of the 80th meridian. This bill confers similar powers on the Ontario superior courts to deal with matters of the same sort east of the 80th meridian in the Northwest Territories. It also makes express provision conferring surrogate powers upon the provincial courts in the territories adjacent to the provinces. Under the Northwest Territories Act as it now stands the minister is authorized to make arrangements with the Lieutenant Governor of Manitoba for the care of insane persons. Similar powers do not exist in the provinces further west, and this amending bill will confer such powers.

Motion agreed to and bill read the first time.

DAIRY INDUSTRY ACT

VARIATION OF PROVISION RESPECTING WEIGHTS OF PACKAGE CHEESE

Hon. J. G. GARDINER (Minister of Agriculture) moved for leave to introduce Bill No. 13, to amend the Dairy Industry Act.

He said: The law now provides that products under the Dairy Industry Act shall be put up in parcels of pounds or fractions thereof. This has made it difficult for those who have been processing cheese to use the whole of cheeses which are round in form. The bill proposes so to amend the act as to make it possible to dispose of the residue of such cheeses.

Motion agreed to and bill read the first time.

TRANSPORT ACT AMENDMENT

CONTROL OF TRANSPORT BY AIR, HIGHWAY, WATER OR RAILWAY

Hon. C. D. HOWE (Minister of Transport) moved for leave to introduce Bill No. 14, to amend the Transport Act.

He said: This bill provides for several amendments to the Transport Act having to do with the sections relating to carriage by water and by air. The amendments are put forward at the suggestion of the board of transport commissioners. The bill also has two new sections, one providing for the regulation of motor vehicles operated within dominion government parks, and the other having to do with the regulation of motor vehicles operated across an international boundary.

Motion agreed to and bill read the first time.

WHEAT

BREAK ON WINNIPEG FUTURES MARKET—PEGGING OF PRICES

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I should like to direct a question to the Minister of Trade and Commerce (Mr. MacKinnon). In view of the drastic decline which has taken place in the price of wheat on the Winnipeg exchange, and the report in this morning's press that the government has taken action pegging the price, would the minister care to make a statement to the house?

Hon. JAMES A. MacKINNON (Minister of Trade and Commerce): I anticipated the question just asked by the hon. member for Qu'Appelle, (Mr. Perley) and in reply I wish to make the following statement:

Last Saturday morning, May 18, after consultations between the wheat committee of the cabinet and the Canadian wheat board, the Canadian wheat board addressed the following communication to the Winnipeg grain exchange:

We have been asked to advise you that the government requests that the Winnipeg grain exchange peg the wheat futures market as at the close of Friday, May 17. This action is taken as a temporary measure, pending full discussion with the government.

Upon receipt of this communication the Winnipeg grain exchange promptly issued the following statement:

At the request of the government the council has decided that the prices in wheat futures will be pegged as a minimum at the prices ruling at the close of the market on Friday, May 17, 1940, namely: May 70⅜, July 71⅜, October 73⅝, to become effective at the close

of trading to-day and to continue until further notice. This action is taken as a temporary measure pending a full discussion with the government.

This action means that until further notice it is not permissible to trade in the Winnipeg futures market at less than the prices mentioned, namely, May 70⅜, July 71⅛, October 73⅛. It should be made clear that trading may proceed normally at or above these prices.

On Saturday, May 11, May wheat closed in Winnipeg, at 89¾ cents. On Saturday, May 18, May wheat sold as low as 60⅜. The break in the Chicago wheat futures market has been even more drastic, their May wheat closing on Saturday, May 11 at $1.08¾ and trading as low as 76⅝ cents on Saturday, May 18.

While several factors have entered into the situation it seems clear that the changed war picture has been a predominant influence in the decline in commodity and securities markets. The fear of lost markets and the general financial unsettlement have created a feeling of uncertainty and resulted in general and drastic liquidation on the part of holders of wheat. In addition to the liquidation mentioned there has been considerable selling by exporters against contracts which were cancelled on account of the purchasing countries becoming involved in the war. It is needless to say that the Canadian wheat board took no action which would in any way aggravate the situation.

This whole matter is now the subject of discussions between the wheat committee of the cabinet and the Canadian wheat board.

INQUIRY AS TO INTERIM PAYMENTS ON 1939 CROP

On the orders of the day:

Mr. ROBERT FAIR (Battle River): As the group with which I am associated has already officially requested that an interim payment be made on the 1939 wheat crop, and according to a press report of March 21 last the Hon. J. G. Gardiner, Minister of Agriculture, speaking at Wilkie, Saskatchewan, promised that the Liberal government, if returned at the pending election, would introduce amendments to the wheat board act providing that an interim payment of ten to twelve cents a bushel would be made on the 1939 wheat crop, I would ask the government whether this payment will be made under an amendment to the wheat board legislation or under the War Measures Act.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The question might be allowed to stand as a question on the order paper.

[Mr. J. A. MacKinnon.]

SUBVERSIVE ACTIVITIES

SUGGESTED INTERNMENT OF ENEMY SYMPATHIZERS—COMMITTEE ON DEFENCE OF CANADA REGULATIONS

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I should like to address a question to the Minister of Justice (Mr. Lapointe). The attorney general of Ontario has proposed that subversive elements in Canada should be placed in internment camps, in the same manner as alien enemies. I believe this proposal has been made to the minister, and that he has stated he would make a statement in the house. Is the minister prepared to make such a statement in the house to-day, or if not, when?

Right Hon. ERNEST LAPOINTE (Minister of Justice): I am pleased to say that I am in a position to make a statement which will answer my hon. friend's question.

The Hon. G. D. Conant, attorney general of Ontario, wrote to me under date of May 14, 1940, respecting subversive activities and the defence of Canada regulations. As, however, his letter was given to and published by the press, I think it appropriate that I should make a statement to the house; so I anticipated the wishes of my hon. friend.

Mr. Conant suggests in effect that all persons, whether British or aliens, who are accused of subversive activities be detained without trial, but subject to what amounts to an appeal, under the authority of an order of the Minister of Justice, in the same manner as enemy aliens are detained.

I may point out that the position of the two classes, that is, offenders against certain regulations, and enemy aliens, is entirely different. In the case of enemy aliens their nationality is known and a trial is not necessary or desirable. In the case of those in the other class it is essential, under the present regulations and under our system of justice, that, subject possibly to exceptions in particular cases, they should be proven guilty in a court of law in the usual manner. The regulations contemplate and provide for this procedure.

The powers contained in regulation 21, referred to by Mr. Conant, would under the present regulations be exercised by the Minister of Justice only with regard to persons other than enemy aliens and exceptional cases or where an emergency or extraordinary situation existed and no other appropriate or effective procedure was available.

It may be, however, that an amendment to the regulations might be desirable whereby after conviction in the trial court bail would be prohibited and thus the convicted person would not be at liberty pending any appeal

that might be instituted. This suggestion, together with others, will be referred to the committee of this house to be set up for the purpose of considering the Defence of Canada regulations.

The constitutional responsibility for the internment of enemy aliens rests with the dominion authorities, and the procedure adopted with respect thereto is not applicable to prosecution for subversive activities. The constitutional responsibility for the administration of justice, which includes the enforcement of the present regulations dealing with subversive activities, rests with the provincial authorities, and I feel confident that they will continue to carry out their responsibilities in this respect as they have in the past.

I may say, in view of the fact that a committee of this house is to be set up for the purpose of considering the defence of Canada regulations, that it is my intention to suggest to the committee that it consider, amongst other things, the whole quesion of the enforcement of the regulations and the procedure therefor.

Mr. ANGUS MacINNIS (Vancouver East): I am in receipt of a communication from the mayor of Vancouver which states that there is considerable feeling in that city against enemy aliens and enemy sympathizers. The communication further expresses the fear that unless there is an assurance from the federal government that adequate measures are being taken to cope with subversive activities of such people, citizens may organize for that purpose. Under the circumstances I think a statement from the minister would be useful.

Mr. LAPOINTE (Quebec East): I think, Mr. Speaker, that the statement I have just made largely answers my hon. friend's question. However, I may assure him that the government, through the Royal Canadian Mounted Police and other agencies, is keeping close supervision on the persons referred to in the telegram from Vancouver. May I note, however, that until a few days ago all the criticisms which I received on behalf of the government as Minister of Justice were to the effect that the defence of Canada regulations were much too arbitrary and severe, and that they should be altered in that respect. Apparently there has been a change in public opinion, and now the criticism is the other way. The whole matter, I am pleased to say, will be considered by a committee of the house. The original intention in appointing the committee was to give an opportunity of expression to those who criticized the regulations because they were too drastic. Apparently now the committee will hear instead those who find the regulations not drastic enough.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, May 17, consideration of the motion of Mr. Lapointe (Lotbinière) for an address to His Excellency the Administrator in reply to his speech at the opening of the session.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I am deeply conscious of the responsibilities that devolve upon me at this time. In approaching a discussion of the resolution now before the house I cannot disguise from you, sir, or the members of this house, that my mind, and I hope and trust the mind of each of us, is filled with anxiety over what has taken place on the other side of the ocean during the past few days. I intend to go quite fully into the question of Canada's war effort at a later stage of my remarks; at the moment I desire only to say that I believe we are engaged in a just war. If ever in the history of mankind there was a righteous war it is my firm belief that Canada is now participating in a war of high spiritual values, a war for the preservation of the maximum of individual liberty and indeed for the preservation of our Christian civilization. Because the background and the objects of the war in which we are engaged are of such importance it occurs to me that it is time for clear thinking on the part of each of us; and may I say it is time for reasonably straight talking. This afternoon I shall approach this question from no partisan point of view but rather, I hope, from the point of view of a Canadian national whose country, together with that of our gallant allies, is confronted with one of the greatest problems of our time.

First, however, there are some things which it is customary to say on this occasion. Already, Mr. Speaker, reference has been made to your election, and you will pardon me if I do not repeat now what I said previously. We all wish you well in the discharge of your public duties.

I come now to a brief consideration of the speeches we heard on Friday last. I am sure the two young gentlemen who distinguished themselves on that occasion will pardon me if I do not follow all the ramifications of their addresses. I want to congratulate them both, particularly on the composure they displayed in addressing this house for the first time. I confess to you, Mr. Speaker, and to the members of this house, that it was a long time before I caught the atmosphere of this chamber to an equal degree, if I ever did, and I have heard other hon. members, some of whom have taken prominent parts in the

discussions of this house, make the same confession privately. I am making my confession publicly.

I desire to offer to the hon. member for Lotbinière (Mr. Lapointe) my particular congratulations. I read his remarks very hurriedly, but they emphasized two points to which I might refer briefly. He truly stated that youth will be the chief sufferer from this great international disaster that has come upon us. Undoubtedly that is so to-day, as it has been so in the past and will continue to be so as long as wars occur. As I conceive it, the carrying on of war so far as man power is concerned is the burden of youth, governed by the mature judgment and experience of older men. Then the hon. gentleman referred to the post-war period. That, of course, is important, and I believe the Prime Minister (Mr. Mackenzie King) has placed upon the order paper, thus early in the session and early in the war, a resolution to set up a committee to study and report upon this question. Of course it is important, but it does seem to me that the winning of the war is of much more importance and that we might well postpone consideration of post-war conditions, because at this time who could say what those conditions might be?

I should like to offer my sincere personnal congratulations to the right hon. Minister of Justice (Mr. Lapointe), the father of the hon. member for Lotbiniere. In the words of a great statesman on a similar occasion in the imperial parliament—

> It was a speech which must have been dear and refreshing to a father's heart.

Those were the words of Mr. Gladstone during the heat of a debate on Ireland, addressed to Right Hon. Joseph Chamberlain after his son, Mr. Austen Chamberlain, had made his maiden speech. I think they are applicable on this occasion also; therefore I congratulate the right hon. gentleman. I would not have him think, however, that the situation is unique even in the history of this Canadian parliament. I am reminded that from my neighbouring province of Nova Scotia there came to this parliament in the early days of confederation two gentlemen named Tupper who made a real contribution to the early history of this country. First there was Sir Charles Tupper, one time prime minister of Canada; then there was his son Sir Charles Hibbert Tupper, member of many an administration and holder of more than one federal portfolio. So that there was a similar occurrence in those earlier days; and the Tuppers made a distinct contribution to government in Canada. It has always been a matter of regret to me that there has been no substantial recognition of what Sir Charles Tupper did for Canada in its early development. Without him confederation would not have been possible, and in my view Canada should have commemorated his place in her history by a monument on parliament hill.

May I at this point congratulate the hon. member for Vancouver North (Mr. Sinclair), who seconded the address in reply on Friday last. Surrounded as he is, it must have taken a marked degree of courage to give utterance to the sentiments which he expressed on that occasion. Today he finds himself mentioned on the front pages of the great newspapers of Canada, and upon his courage I congratulate him.

What was it he said that struck the imagination of the Canadian people? May I draw the attention of hon. members to what he said, as reported at page 16 of *Hansard:*

> For far too long we have taken for granted the rights and privileges of British subjects, and the vast resources and the boundless opportunities of this land of ours. Now that all of this is in jeopardy we realize that these things are infinitely precious, that life without them would be impossible.

And later:

> This parliament meets in the darkest days since our nation was born. The hopes and the prayers of all Canada are with us to-day.

I would ask hon. members, Mr. Speaker, to be good enough to note these words:

> This is no time for complacency. It is a time for united effort, for ceaseless endeavour; above all, for action, fearless action.

May I from the bottom of my heart re-echo these words, and again I congratulate the hon. member upon having had the courage, from his place in this house and on the first occasion, on which he addressed it, to give utterance to what I consider to be noble sentiments. I wonder if it occurred to the hon. member that for the most part those observations were received in silence by his colleagues, but with an indication of the greatest pleasure by hon. members on this side of the house. This is a fact which should give him food for thought.

In the speech from the throne no reference was made to the visit of Their Majesties the King and Queen. I have no doubt that at the last session of parliament, or during the session which closed about the time of their departure, reference was made to this very important event in our history. But since I was not in the house at that time I may be pardoned if on this occasion I make some reference to it. No matter who suggested it,

whether it was the Prime Minister (Mr. Mackenzie King) or somebody in England, I consider that the visit of Their Majesties to Canada just a short year ago did more to cement Canadian unity than any other event in our history.

I was delighted to have the opportunity of being at least an onlooker during a portion of that visit. I know that irrespective of class, race or creed the Canadian people responded to the utmost on that occasion. If the Prime Minister was the author of the idea may I take this opportunity of congratulating him upon it, and upon having carried it through to a successful conclusion. It gave to our people from one end of the country to the other an opportunity of seeing in the flesh a wonderful young man and a glorious woman, the king and queen of our empire and of this Canada of ours. I am confident that our people enjoyed the visit to the full. It was a matter of regret to me that during the day they visited New Brunswick they were rushed unduly; but so many people wanted to see them that a rush could not be avoided, and I am sure they did not regret the labours of that long and arduous day.

In the speech from the throne reference is made to the death of Lord Tweedsmuir. Except in a very general way it was not my privilege to know the late governor general; I met him on one occasion for a matter of only three minutes. But I have known John Buchan since the days when I began to read his books. I enjoyed reading those books, and without hesitation I would commend to every hon. member a thorough reading of his writings. If one wants to read a good story he cannot do better than read "John McNab". I have recommended that book to many of my friends. On the other hand, if one prefers history, then I know of no modern writer who better exemplifies the best traditions of English literature than has John Buchan in his lives of Montrose and Cromwell. I am pleased to reflect that upon his appointment to the high office of governor general in Canada he lived up to the best traditions of the office. In his travels throughout Canada he made friends at all points, and in large measure was the interpreter as between the mother country and the Canadian people. It was with the deepest personal regret that I learned of his death, and in my humble way at this late date may I extend to Lady Tweedsmuir and to his family my sincere expressions of sympathy.

In the address he has put in the mouth of the Administrator the Prime Minister has mentioned the appointment of the Earl of Athlone as the successor to the late Lord Tweedsmuir. I can say only that when he and the Princess Alice arrive, Canada will offer them a loyal and hospitable welcome.

Recently we had an election in Canada. I have no desire to rehash the issues of the recent campaign, nor have I any recriminations to offer. The people have spoken, as is their sovereign right, and I accept the verdict. Such is democracy. We may think that that verdict was unfair, that it was unjust, that it was not the real voice of the Canadian people, but votes count and seats in this house count. I am not going into an analysis, such as I have heard in days gone by, to show how many more thousands of Conservative votes it took to elect one Conservative member of this house than it did Liberal votes to elect one Liberal member. I shall not refer to the fact that it took only a few thousand votes to elect a member in the group angularly opposite. This is a phrase which was used frequently in this house when I first entered it. I shall not refer to the fact that it took a great many thousands of votes to elect a member of the group immediately to my left. The fact is that the government succeeded in getting about 54 per cent of the 4,500,000 votes that were polled in the election, while they have 75 or 80 per cent of the seats in this house. That hardly seems enough under the circumstances. It looks to me like an embarrassment of riches. Aside from the war issue, at the moment I have no hope of any palace revolution taking place over there. I am sure that in normal peace times there would be none because they are so intent upon one thing. There may be a palace revolution as time goes on and things become progressively worse in the war, but time alone will tell.

Of course I do recognize that the Prime Minister and his government have received a great mandate. In my view the meaning of that mandate is clear, and I wish to put this on the record. If the Prime Minister differs with my view I shall be glad to have him point out wherein he differs when he comes to speak. My view of the meaning of the mandate to the government is that we should pursue with all the power of all the resources at our disposal the work of assisting the mother country and her gallant allies in the supreme task of winning this war and driving back the ruthless invader. There must be a preservation of the maximum amount of liberty and of our Christian civilization. Above all I desire to make it clear that in my view the mandate is not for a limited liability contribution. Let there be no mistake about that.

At this point I should like to make some observations with respect to the National

Conservative party which I have the honour to lead in this house for the time being. Compared with the votes which were polled in the country we are few in number, but as I look around and see the earnest young men who sit beside me I realize that what we lack in numbers we make up in quality and in devotion to Canada and to the empire. The results of this election should not be the occasion for tears or beating of the breast. Any party that can poll approximately one and a half million votes in Canada is neither dead nor dying. We must continue to pursue our war efforts and give consideration to the economic problems that confront this dominion, but we should also devote ourselves to the upbuilding of a truly Conservative party, a party which will truly reflect the views of that sober and solemn element in the country which in thought and action is always Conservative. This does not mean that we shall be a static party, but rather a party of orderly progress, holding fast to that which is good in our past, lopping off the mouldered branches of yesterday. Above all the Conservative party will continue to give its unyielding loyalty to the British crown. This is one of the cornerstones of our very existence. I want to express a profound conviction that I hold, that there will always be a Conservative party in Canada. This will be so because of the character and mentality of our people. We are proud to think of the achievements of that party in the past. I do not intend to traverse this situation. Rather should we put forward our voices, rather should we prepare ourselves to be an alternative government at any time. The king's government must go on.

I should like to make a brief reference to the retirement of the gentleman who preceded me in this position. He leaves us with the respect and regret of every one of us. In saying that I feel sure I express the attitude of the members of all parties in this house. Doctor Manion is a great Canadian. During the years he served Canada, in the army, in the government and in this house, he made a great contribution to his king and country. He is still, comparatively speaking, a young man, and I am confident that he has many years of useful service ahead of him. I should like to add that my own relations with him were most happy. They extended over a period of twenty years or more and I shall always look back with pleasure to my association with him.

I should like to give brief consideration to some of the matters contained in the speech from the throne, other than the reference to our war efforts. I should like to congratulate the Prime Minister upon being brief for once —or perhaps it is the second time. I was not here last January when the speech was— no doubt—the briefest in the history of Canada. The speech from the throne this session takes second place. I shall not revert to what took place last January, but I can tell him candidly that when I heard the announcement over the radio on January 26, when I was down in the southern part of this hemisphere, I could gladly have assassinated him. However, I do not believe in threshing over old straw, although I have views on that subject. It was an affront to parliament to call members here and then dissolve parliament. It was an affront to the Canadian people. But times are too serious to dwell upon this now and the election has washed out any indictment that may have been preferred against him by reason of what happened on that occasion.

Reference is made in the speech from the throne to unemployment insurance on a national scale, the exact statement being:

> —resolutions will be introduced for an amendment to the British North America Act which would empower the parliament of Canada to enact at the present session legislation to establish unemployment insurance on a national scale.

Of course that is absolutely the correct constitutional way to proceed. I am reminded by a smile on the face of the Minister of Justice that on a former occasion another government did not proceed in that way. Well, I really thought at the time that, having regard to the treaty-making power contained in the British North America Act, having regard to the previous legislation and resolutions passed by this parliament with respect to the Geneva labour conventions, we had brought ourselves within the jurisdiction of parliament to enact such legislation. That has been ruled ultra vires. Again I accept the verdict—this time of the courts of the country. Willy-nilly I must. I think that this is the proper course to pursue, the orderly course of amending the constitution in accordance with the powers and the precedents in that regard. But I am wondering, in the first place, if it will be possible at this session of parliament to pass such an address and such resolutions as are requisite and necessary and to have them assented to by the imperial parliament in time to put through important legislation of this kind during the present session. I am also wondering what attitude our friends in the provinces are going to take with respect to this matter. Are we to wait and obtain from them their assent to the important amendments of the constitution which will be necessary, or will they attack the provisions as being an invasion of provincial autonomy?

I do not know. These are queries which are coming up in my mind with respect to the matter.

Down in the province of New Brunswick we had, until last November, a gentleman who took very strong ground with regard to the invasion of provincial rights by the federal authority. Well, that brushwood has now been cleared away by the election. I warn my right hon. friend the Minister of Justice that there are obstacles left in that direction; however, I say to him, persevere, do not take too seriously the opposition which may come to you from that quarter.

I am one of those who have always thought that we ought to have a strong central government in Canada. I do not care who criticizes me for that opinion. I have found that the more power we gave to the provinces the more money they would spend and the deeper in debt they would put the people of this country. If you want to visualize what the founding fathers of this confederation had in mind, apply to our constitution the acid test of a war-time condition: then you will realize that the basic function of government in Canada is or should be found in the federal legislature.

I doubt very much whether it is possible to enact at this session an unemployment insurance act. If this matter is of the importance which I believe it to be, it seems to me that we have lost five precious years. I would go a little further. I suppose that if in the last twenty years my right hon. friend has promised unemployment insurance legislation once, he has promised it half a dozen times.

An hon. MEMBER: Twenty times—every year.

Mr. HANSON (York-Sunbury): Well, I will not go that far. For five years I was not here, and I did not pay very much attention to what was going on in this parliament. As a matter of fact I really never anticipated coming back. If I may tell you, Mr. Speaker, a personal secret, I decided to contest this election in order that if possible I might defeat the man who defeated me in 1935. That was one motivating factor; it was not the whole reason—I should not like people to think that I am as narrow and vicious as that. But the fact is that that gentleman eluded me by accepting a high office. I should like to add that we have been on friendly terms for forty years. Once upon a time I had the pleasure and the profit of acting as his confidential solicitor, but when I became a Conservative member of parliament he dropped me like a hot potato. Let me repeat that I should not like the house to believe that the reason I have given was the only reason I contested this election. I had an idea—if I may be permitted the personal reference—that perhaps I could render service to Canada at this time. I hope I may.

Another matter is referred to in the speech from the throne. There is the very brief announcement:

> The report of the royal commission on dominion-provincial relations, which has just been received, will be tabled immediately.

The Prime Minister has made good that statement. I am wondering what is the reaction of this house and the country to that report. I do not suppose that anybody here has read the report, let alone the appendices; but I have studied the recommendations which have been made, and I am impressed by some of them and I am not impressed by others. I alluded a little while ago to the spending proclivities of our provincial governments, especially those of the small provinces. They seem to be oblivious of the fact that there is only one set of taxpayers in Canada paying to both jurisdictions. The suggestion is made in this report that this government shall take over the financing and the servicing of the provincial debts, and that, as the corollary of that, the dominion shall take over certain important sources of income which the provinces now enjoy. Well, I think that if my right hon friend tries to implement the part of the report dealing with the second matter to which I have alluded, he will have a very great deal of difficulty. My experience, at least from 1930 to 1935—and I say this with great respect to those with whom I dealt—was that the provincial legislatures were willing to take all but to give very little. I suppose that is human nature. But if the government of Canada takes over the servicing of the debts of the provinces, there must be some provision whereby they will not be allowed to go on incurring debt after debt. I do not know what the report has to say in relation to that, but I should like to throw out this warning, that if consideration is to be given to the one constructive suggestion, certainly there is a corollary involved in that principle.

I had intended to say something about the defence of Canada regulations, but the Minister of Justice has forestalled me in nearly everything I had it in mind to say. I have received, as I suppose all members of this house have received, a good many communications and some briefs with respect to the severity of these regulations, and recently, since the war situation has become so acute, I have begun to receive recommendations

implying that they are not severe enough. Of course, there are both points of view and both will have to be given consideration.

Having regard to the conditions that prevail in Canada, I wonder whether the Minister of Justice has not now some qualms of conscience at having repealed section 98 of the criminal code. He shakes his head, nevertheless I suggest that while it might not have been necessary in time of peace, it would be a useful adjunct to the laws of the country at the present time. I invite him to consider the reenactment of section 98.

I am glad in a way that the Prime Minister has decided to submit the whole question to a special committee, but I recognize this as an old practice of his, perhaps to evade responsibility. I say that in no harsh or vindictive spirit. My recollection of the first important project that was brought before this house in the session of 1922, when my right hon. friend was facing parliament for the first time as Prime Minister, is that there came up for consideration the question of railway rates in the west. His government, instead of having a policy on this great and vital question, referred the matter to a committee of the House of Commons and so passed on responsibility. I well remember the part played in that committee by the hon. gentleman who is now sitting in the treasury benches occupying the position of Minister of Mines and Resources (Mr. Crerar). I remember the trial kite that was put out by the gentleman who was chairman of that special committee as to what the report would be—I refer to Hon. A. K. Maclean—and I believe my memory is accurate in that regard. It was stated that the committee was prepared to accept the draft report that had been made by the chairman and the present Minister of Mines and Resources, then representing Marquette. He put a pistol to the head of the Prime Minister and there was a right about face on the question. I have a long memory and I can recall that exactly. I remember being told the whole situation by a supporter of the government of that day, a gentleman who is not now on earth but whom the Minister of Finance (Mr. Ralston) knew very well in his lifetime. That gentleman said that never again would that sort of thing happen.

I hope that these references to committees are not made by the executive for the purpose of sidestepping responsibility. The government is responsible to the people and should have a policy.

The defence of Canada regulations are based, I take it, upon those in vogue in England, although I suppose they are not the exact counterpart. In fact, I have heard the criticism that these regulations are very much more severe than those in England. Well, I think it is necessary in war time that some power should be vested in the executive to control subversive elements in the country. I am all for law and order. Whatever I may have been in my younger days, as I grow older and more mature I am all for law and order. I am for law and order in Canada in war time and I believe the government must have some power at its elbow.

I have been reading the life of Abraham Lincoln by Carl Sandburg, "Lincoln—the War Years," and I recall a criticism which was made of Lincoln and his government because of the virtual suspension of habeas corpus, and the unconstitutionality of the executive action at that time of travail in the life of our neighbouring republic. Subsequently, if I remember rightly, his act was declared ultra vires by a chief justice who had been a member of his own administration. What a situation! So far as I am concerned the Prime Minister and his government must have power by executive action to deal with any emergent situation that may arise from time to time while the country is at war, but I hope they will exercise that power with the utmost judicial discretion and will play no favourites. That is all I have to say in that regard.

I desire to devote some attention to the war effort of this administration. The Prime Minister and hon. gentlemen opposite may not agree with what I have to say, but as I stated in the very opening remarks I addressed to the house, this is a time for clear thinking and straight talking. May I refer to the situation in Canada prior to September, 1939. Perhaps I should go back a little farther than that, because during the election I heard in my own constituency a criticism of the government of Mr. Bennett from 1930 to 1935 on the ground that in those years it had not done anything with respect to the question of national defence or empire defence. I do not think it was a big issue in the election, but reference has been made to the question and I think I ought to justify the position that was taken at that time.

In the years from 1930 to 1935 Canada was in the throes of an economic revolution unparalleled in the history of the world. We were faced with declining revenues and with the necessity of imposing taxation upon the people, and I ask you, Mr. Speaker, and the membership of this house how any government under those circumstances would have been justified in imposing new taxation upon the people of Canada for national or empire defence in the light of the situation as it was

then in Europe. I think I have only to ask the question to have the answer. No government would have been justified in 1933, when this country was in the depths of the economic depression, in asking parliament to impose new taxation on the people of Canada for national defence. If we had asked the people for any substantial sum of money for this purpose, what an uproar of indignation would have arisen from hon. gentlemen opposite, led by the Prime Minister himself! I have no doubt about that at all. I heard it on many occasions. My mind goes back to the time in 1922—hon. members know that as we get older we tend to become reminiscent; I hope I am not transgressing too much—when Hon. George P. Graham was Minister of Militia; the hon. member for Quebec South (Mr. Power)—my friend from Quebec South, if he will permit me to call him so—was a member of this house and a supporter of the government, and he led a rebellion against the estimates of the militia department of that day. The Conservative party representation in this house at that time endeavoured to help the minister to put his estimates through, and, as I recall it, they were very modest estimates. I remember that the minister had to withdraw his estimates and bring them back greatly reduced in amount. If that was so in 1922 or 1923, when the country was blessed with the beneficent Liberal rule of my right hon. friend, and was returning to prosperity after the war years, what would he have said in 1933 if we had asked for any substantial amount for national defence? The roof would have been the limit.

Mr. STIRLING: It would not have been the limit; there would have been no limit.

Mr. HANSON (York-Sunbury): So I am justifying my position with respect to not having asked the people of Canada for any large sum for national defence at that time. I believe, though—I am not sure about this; I have not looked it up—we did make a start in 1934 and 1935 with respect to the establishment of a government munitions plant in the province of Quebec. I remember that that was opposed by the right hon. gentleman, and if my memory serves me aright, immediately on being returned to power he suspended all operations with respect to that well-conceived plan which had been worked out by the Department of National Defence for the purpose of making munitions under the government of this country. I never heard any great criticism of that at the time, but I have heard a substantial amount of criticism since. Of course we are always wiser in the light of after-events.

From 1935 conditions materially changed with respect to the whole question of national defence. Who ever heard of Hitler in 1933? But you heard of him in 1934 or thereabouts, when he was made chancellor of the German reich. From then one thing evolved into another, and the head of the aggressor was raised in Europe. Still I am free to admit that none of us at that time expected that by 1939 we should be plunged into a tragic war. We all stood aghast at what he did to Austria, and when the rape of Czechoslovakia took place I felt sure that a madman was loose in Europe. After Munich—and I am making no criticism of Munich, let that be distinctly understood: if ever a man laboured and struggled to preserve the peace of the world it was the Right Hon. Neville Chamberlain. He deserves the sympathy of every one of us, and history will accord to him a very high place among the statesmen of the British empire. If hon. members are interested in reading about the struggle which he made, may I commend to them a book which I have recently written—

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): —which I have recently read. I am glad I do not write books. There is a saying—I think it is in the Bible: "Oh, that mine adversary had written a book!" Some people will refer to that very feelingly; perhaps the Prime Minister himself will remember that he wrote a book—

Mr. MACKENZIE KING: I am glad I did.

Mr. HANSON (York-Sunbury): —which I do not believe many people read to-day. I am bound to tell him that I never read it; I started to, but I could not finish it.

Mr. MACKENZIE KING: That is a reflection on my hon. friend himself.

Mr. HANSON (York-Sunbury): That may be true; I know I am stupid most of the time, but I confess that I never could get interested in the book. However, this is a digression. If any hon. member is interested in following the efforts of Mr. Chamberlain to preserve the peace of Europe and the world I commend to him the book of Sir Nevile Henderson, entitled "The Failure of a Mission." It is I think the first record that has been given to the public of the efforts of one of the greatest statesmen we have ever had in England; and because Mr. Chamberlain failed to achieve his purpose is no reason why he should be condemned. May I say further how much I admire him for what he did in the recent past, since this crisis came on, in unselfishly giving up his position at the head of the state when he found he could not command that

overwhelming confidence of the House of Commons in Great Britain which he thought he ought to have.

Between 1937 and 1939 I submit that this government had ample warning of what was taking place in Europe. I am told—I cannot vouch for the truth of this because I have not access to the proof—that everything that was done by the government was done with absolutely no reference to what might take place in Europe, that the question of overseas operations was taboo.

Mr. MACKENZIE KING: I do not wish to interrupt my hon. friend, but I think I should take issue with him immediately on any statement that—

Mr. HANSON (York-Sunbury): The right hon. gentleman will have plenty of time to reply.

Mr. MACKENZIE KING: But when my friend makes a statement, and says he has no authority for the statement he makes, it is part of my duty to see that a statement which is incorrect is immediately denied; I say the statement just made is wholly incorrect.

Mr. HANSON (York-Sunbury): Of course I know that the right hon. gentleman will take the opportunity to deny it, but I state that it is my information; and more than that, as proof of the truth of the position which I am trying to formulate, my understanding of the debates of this parliament is that on every vote for national defence that was passed from 1935 to 1939 it was emphasized that the money was for the defence of Canada and the defence of Canada only. That, I submit, is some proof of the truth of the position I am trying to define to-day.

Now may I ask where was Canada's first line of defence during all the trying period before September, 1939? Was it in Canada or was it over there where to-day they are striving with the beasts of Ephesus to preserve our liberty? We have never had more than one line of defence; our first and only line has been the British navy, and we ought to thank God reverently that we have such a defence—to which, however, we do not contribute a single dollar or a single man. It is only in times of stress such as we are going through now that we recognize the truth of these matters. As was stated on Friday last by the hon. member for Vancouver North (Mr. Sinclair), in normal times we take for granted the privileges of a British subject, and it is only in a period of trial and stress such as that in which we are now living that we realize what are the privileges of a British subject and comprehend that during all these years the British government has been providing our first line of defence. Why, Canada could not defend herself against Siam! Make no mistake about that. Why all this talk about the defence of Canada? Why should we not be honest with ourselves and with the people of this country and say that our defence is the common defence of the British empire and our gallant allies? That is the only defence worth anything at this time, when our liberties and our very civilization are at stake, but we have done nothing to assist.

Where was the security of Canada ever menaced? Was it to the south? Well, for more than a hundred years, ever since the Rush-Bagot treaty, there has not been a single fort, a single gun or a single ship along the whole international boundary. That is a matter of mutual congratulation to the people of this dominion and the people of the republic to our south. We are not and never have been menaced by those friendly neighbours. On the contrary in the city of Kingston, on July 1, 1938, in the presence of the Prime Minister of this country, the president of the great republic to the south offered to take us under that country's wing and to defend us if we were ever attacked by an enemy from without. This afternoon I have no intention of saying one word repelling the goodwill of the president of the United States; it would be not only inappropriate but wholly inexpedient that I or anyone else should do so at this time, because I greatly appreciate the friendliness and goodwill of that country not only towards us but towards our mother country and our allies, and I am hopeful that it may become more than goodwill. But what they may do over there in that connection is their own business, and theirs alone. I wonder, however, if any self-respecting Canadian within the sound of my voice or anywhere in this country wants to see Canada dependent at any time for her national safety upon the government of the United States. Surely if we are a nation our self-respect will demand something more of ourselves than that. I am neither a prophet nor the son of a prophet, but if the day ever comes when we have to shelter ourselves behind the armed forces of the Stars and Stripes, that day we will haul down the Union Jack in Canada and it will never go up again.

No, I do not think we have any enemy to our south. Then what enemy have we to the west? Well, perhaps we have a potential enemy there. I do not want to say very much about that, but I believe that potential enemy is so busily engaged in digesting its gains in

China that it really is not a potential enemy of this country at all. Certainly we have nothing to fear from the north. Therefore our only enemy must be in the east, among the dictators of Europe; and if that be so it is not only common sense that instead of spending money on the construction of emplacements, embankments and forts in Canada we should endeavour to the utmost to further the cause of our mother country and our allies in the terrible conflict which is now raging? That is the view I take; that, I think, is the sensible thing. That is what I, as a self-respecting Canadian, believe this country should have done.

The speech from the throne contains certain statements with reference to collaboration with the mother country. I intend to refer to this point a little later, but before I forget I should like to invite the Prime Minister to lay before the house, if it is in writing, the evidence to show that this government has collaborated with the British government. I believe the people of Canada are asking what was the degree of collaboration, if any, requested by the British government, and what was the degree of cooperation given by this government both prior to and since the outbreak of the war. I quite appreciate that there may be confidential communications which the Prime Minister cannot lay before this house, but I do suggest to him that the people of Canada will not be satisfied with anything less than substantial evidence of what the situation is, and accordingly I invite him to table that evidence.

The most striking evidence of what I fear is lack of collaboration is to be found in the matter of air defence. If my information and my reading of the evidence are correct, through the Prime Minister this country refused to collaborate with the mother country in 1937 and 1938 with respect to air training in Canada. As I understand the Prime Minister's position, as pointed out in a speech made in the house on July 1, 1938, the reason assigned was that it would be a violation or an infringement of the sovereignty of Canada.

I have before me the text of the Prime Minister's statement. It is, however, well known in the house and I shall not spread it on the record. It might have been—I do not agree that it was—academically and theoretically a sound position for the right hon. gentleman to take at that time. But, from a practical point of view, and having regard to what has since occurred, what a position for Canada to take! In effect we were saying to the mother country, "Although you lack space, of which we have an abundance in Canada, we cannot allow you at your own expense to come out here and train men for aviation because, forsooth, it would be a violation of the sovereignty of the country." I hope I have not overstated the position.

Mr. MACKENZIE KING: I must say my hon. friend has completely misstated it.

Mr. HANSON (York-Sunbury): I do not think so. I shall read what the right hon. gentleman said, as reported at page 4527 of *Hansard* of 1938:

> May I say a word with respect to the idea of having the imperial air force set up flying schools in Canada to train their pilots; in short, a military station put down in Canada, owned, maintained and operated by the imperial government for imperial purposes.

In those sentences the Prime Minister is setting out the premise of the position. Then he says:

> I must say that long ago Canadian governments finally settled the constitutional principle that in Canadian territory there could be no military establishments unless they were owned, maintained and controlled by the Canadian government responsible to the Canadian parliament and people. In the end the imperial naval stations and army garrisons were withdrawn and Canadian authority took over.

I remember when that was done, and I do not think the question of sovereignty was the primary principle in accordance with which the British government gave up stations at Halifax and elsewhere in Canada. I think it was because the Canadian government were willing to take over and save the British government some money. I well remember when the Leinster regiment left Halifax. I was a boy going to school in those days, and my recollection is that it was not a question of sovereignty, at all; rather, it was a question of expediency, a question of dollars and cents or of pounds, shillings and pence.

Then the Prime Minister goes on to say:

> A reversal of that principle and that historical process at this date is something the Canadian people would not for a moment entertain.

Well, I wonder if that would be true to-day? If the British government wanted to train men in Canada to-day I wonder if the Canadian people would show any resentment.

Mr. MACKENZIE KING: Would my hon. friend put the case fairly? There has never been a refusal to allow men to train in Canada. The government was prepared to place facilities at their disposal.

Mr. HANSON (York-Sunbury): The Prime Minister is drawing a fine distinction. However, I am coming to that. From a practical point of view what is the difference? The difference is that on the one hand there would be a theoretical violation of sovereignty

and on the other there would be great advantage to the mother country. But my right hon. friend stood on his dignity, and urged the question of Canadian sovereignty. Nero fiddled while Rome burned!

Mr. MACKENZIE KING: I do not wish to interrupt my hon. friend, and if he would prefer I shall leave my explanation until later. However, he has asked a direct question, namely whether or not at this moment Canada would raise any objection to carrying out a proposal such as was made at that time by the British government. In answer I would ask my hon. friend to reflect upon what the position would be in Canada to-day had we in Canada an air force under the ministry in Great Britain, instead of under our own ministry as we now have it.

Mr. HANSON (York-Sunbury): I am afraid we shall have to agree to disagree on the subject. I have no doubt that arrangements should have been made in 1938, even if a breach of the sovereignty of Canada was involved. We would have been that much farther ahead in repelling the invasion of the hun in the air. But instead of making that headway we have lost two or three precious years; that is the indictment of the people of Canada against this government. If the Prime Minister does not believe me I would recommend that he read the leading editorials which have appeared in the last three or four days in Canada's great national newspapers, irrespective of party. They speak more eloquently, more logically and more vividly than I can.

Mr. MACKENZIE KING: But not more vividly than they did on the day of the election.

Mr. HANSON (York-Sunbury): Oh, I know the Prime Minister takes great pride in the result of the election. I wonder if the Canadian people would vote to-day as they did on March 26. I doubt it very much, and I would tell the Prime Minister that to-day, so far as public opinion in Canada is concerned, his back is to the wall. He may not realize it, but that is so. I have no doubt that to-day the Canadian people lack much of that confidence in the administration which they had on March 26. I say that lack of confidence arises entirely out of the ineptness and complacency of the Prime Minister and his administration. I understand the point of view of the Prime Minister respecting the constitutional principle, but he ought to realize that public opinion in Canada values results much more highly than constitutional principles.

It was a recognition by the Prime Minister of that particular fact which prompted an announcement made in the dying days of the session of 1938 by the then Minister of National Defence to the effect that Canada herself would undertake the policy of air training. Unfortunately, in the light of subsequent events, very little if any money was voted for the purpose indicated, and nothing was done until war broke out.

Am I right in assuming it was intended that very little should be done? I have heard it stated, and I believe with some truth, that until the moment of the great German push of only a few days ago the contribution made by this government was to be a limited liability contribution. I have not before me extracts from speeches by different members of the administration, but I think one of the ministers was undoubtedly voicing the views of himself and his colleagues when he stated the theory that there were three points of view in Canada. There were those who were out to do their utmost; and at the very outset may I place myself with that group. Then there was a second group which did not want to do anything. The third group, with which the hon. gentleman in question associated himself, was the one which held the view that we should do a moderate amount, and should follow a middle-of-the-road course. I hope I am not misstating the idea which the hon. gentleman was endeavouring to set forth. I have no doubt that this point of view was one held by the administration, having regard to the personnel of their supporters in this country. I am making no reflection upon anyone. At the moment I am not criticizing those who may differ with me. This is a free democratic country and they are just as much entitled to their opinions as I am to mine. However, I hope their opinions will not prevail because I sense the danger that lurks behind any attempt at the application of these principles at this time. I am wondering if the member of the administration who adopted the middle-of-the-road course voiced the view of the administration. While that may have been the voice of the people of Canada during the early stages of the war, I venture to suggest that in the light of fast-changing events it is not their attitude to-day. I rather think the young gentleman, the hon. member for Vancouver North (Mr. Sinclair), voiced the real feelings of the people of this country with regard to what we should be doing.

The declaration of war was made in September, 1939. May I say at once that in having parliament make that declaration of war I think the Prime Minister conformed exactly

to what should have been done in the circumstances. But let me ask him this question: What was the state of preparedness of Canada then? Let me go a little further and ask: What plan had the national defence council ready for the government in the event of war in Europe—and Canada voluntarily undertaking to participate? What plan of action, if any, had the government? I am advised that the national defence council had planned for four divisions, two for overseas service and two for home defence. I understand that the Prime Minister himself cancelled those plans.

Mr. MACKENZIE KING: Where does my hon. friend get his information?

Mr. HANSON (York-Sunbury): I quite anticipated that question.

Mr. MACKENZIE KING: May I tell him at once that I cancelled no plans at all.

Mr. HANSON (York-Sunbury): I quite anticipated a denial on the part of the Prime Minister.

Mr. MACKENZIE KING: I should think you would.

Mr. HANSON (York-Sunbury): Under parliamentary procedure I suppose I have to accept his word, but I give my solemn word on my honour to this house that I have some evidence that four divisions were planned for by the national defence council of Canada, two for overseas and two for home service, and either the Prime Minister, the Minister of National Defence (Mr. Rogers), or members of his government stepped up and cancelled those plans.

Mr. MACKENZIE (Vancouver Centre): As a former Minister of National Defence may I say that that statement is absolutely and totally incorrect.

Mr. HANSON (York-Sunbury): I have to accept the minister's statement, and I suppose I have to accept the Prime Minister's statement.

Mr. MACKENZIE KING: Will my hon. friend tell us when the plans were made?

Mr. HANSON (York-Sunbury): I am not subject to cross-examination. I am informed they were ready a year before war broke out —I shall not use the word "know" because I do not know personally. How could I? But I have every reason to believe that they were ready a year before war broke out. What is the situation? Six months after the declaration of war we have one division at Aldershot still under training. They have been there six months and they are still under training. Not one of them is ready yet to participate in what is going on in the western lines.

My right hon. friend made a number of speeches during the election campaign, and I should like to refer to the one he made over the radio on February 21, I believe from Ottawa. He referred to the landing of the first, second and third contingents, the first having landed on December 17 under the command of General McNaughton. May I pause here to pay a tribute to the government for having appointed him to lead the first division. I have great confidence in General McNaughton, and so have the Canadian public. As evidence of my wanting to be fair, let me say that they could not have made a better appointment. The Canadian people applauded the appointment of General McNaughton. This is what the Prime Minister said in the course of that broadcast:

> All three contingents made the crossing safely and exactly according to a schedule worked out months in advance. All left Canada fully clothed and fully equipped.

With respect to clothing that statement is probably true. I think by and large they probably all had enough on their bodies to cover them from the cold, but I wonder how many cases of pneumonia there were at Aldershot, England, after the first contingent got there, as a result of the fact that the men did not have sufficient warm clothing?

Mr. ROGERS: Has my hon. friend any information?

Mr. HANSON (York-Sunbury): No. I have not. How could I? What is the good of asking me that or trying to cross-examine me? I am asking the people who ought to know. I am asking for information. The Canadian public want information. If my hon. friend has that information, let him give it. My information is that a very large number had pneumonia at Aldershot because of a lack of sufficient warm clothing.

Mr. ROGERS: That matter was dealt with, I think quite adequately, during the course of the campaign. Official statements were made on the authority of the director general of medical services that there was only the average incidence of colds or pneumonia.

Mr. HANSON (York-Sunbury): If my hon. friend wants to make a speech he should do so at a later time.

Mr. ROGERS: I intend to do so.

Mr. HANSON (York-Sunbury): I know that a boy from my constituency in New Brunswick who is at Aldershot got pneumonia because the issue of underclothing made to him last winter was cotton and not woollen. More than that, in the first months there certainly was a shortage of socks among the

boys. I know of people in my city who bought socks for the soldiers. I am not going to condemn the government because there was not a sufficient supply of this, that or the other thing in the first days of enlistment. We all know that uniforms were not ready, but the government got the uniforms ready as quickly as they could. I am not going to make any great point about that.

Mr. ROGERS: But my hon. friend is making a point.

Mr. HANSON (York-Sunbury): I am saying that the statement that they were fully equipped is not fully true, but was probably approximately correct. The Prime Minister went on to say that they were fully equipped. I know that during the election a controversy arose over this question of military equipment and for a time allegations and recriminations passed on the public platform between the Minister of National Defence (Mr. Rogers) and the then leader of the opposition in connection with the question of deficient equipment. I am going to call as a witness in my behalf the Minister of Finance (Mr. Ralston). He is an old soldier. He is a man who has a sense of responsibility in connection with the position he now occupies. He made a speech on behalf of the Minister of National Defence in the city of Kingston, on March 8. On this very question of equipment, weeks after the Prime Minister had made, on February 21, the declaration to which I have alluded, that all had left Canada fully equipped, what did the Minister of Finance say at Kingston? I am not going to quote his very words; they are a matter of record; but this is how I epitomize what he said, endeavouring to do so honestly and faithfully. He said: "The division went overseas without motor equipment." Surely in this age motor equipment is necessary, and without that equipment no one can truthfully say that they were fully equipped.

Mr. RALSTON: Does my hon. friend think it is quite fair for him to paraphrase the statement—to call a witness and put his own words into the mouth of the witness? Would he mind reading the statement?

Mr. HANSON (York-Sunbury): The Minister of Finance is an old lawyer—well, I will say an experienced counsel; for that sounds more dignified. I think I can produce the words of the minister at Kingston. At all events, this is my understanding of what he said, and he can deny it if he likes.

He said, first, "The division went overseas without motor transport. It is hoped to have carriers ready and sent to England in time to go with the division to France."

[Mr. R. B. Hanson.]

Two: Bren gun carriers. Where have we heard about that before? "The Bren gun carriers will be supplied to the division by the British government, Canada making replacements later on." And he did not tell us when that would be.

Mr. BROOKS: After the war is over.

Mr. HANSON (York-Sunbury): Three: "Chassis for field ambulances were sent over with the troops, and the United Kingdom is putting on bodies to make them uniform in design with the British ambulances." Four: "In the matter of artillery, the division was supplied with 18-pounder guns." Nobody in the world is using 18-pounder guns to-day. None of the units in England is using them.

Mr. ROGERS: There are 18-pounder guns at the front in France to-day, and ammunition for 18-pounder guns is being made in the United Kingdom and Canada to-day.

Mr. HANSON (York-Sunbury): Well, all right; I am not a military man; but my information is that they should be equipped with 25-pounder guns; and the Minister of Finance said this: "In the matter of artillery, the division was supplied with 18-pounder guns, but these will be replaced later by the more modern 25-pounder guns."

Mr. ROGERS: Quite so. That does not exclude the other statement.

Mr. HANSON (York-Sunbury): I think I am right in what I was about to say. The Minister of National Defence is just a little bit too quick, I suggest, in rising in his place and protesting.

Mr. ROGERS: Mr. Speaker, I am just going to say this: I am interested in maintaining accuracy and in preventing misinformation.

Mr. HANSON (York-Sunbury): My understanding is that 18-pounder guns are obsolete. I may be wrong, but I should like to have a better witness on that point than the Minister of National Defence himself. At the moment I am summoning to my aid his colleague the Minister of Finance.

Five: "The division took with it Lewis machine guns, fifty to a battalion, but these are to be replaced later on by the more modern Bren guns." Obsolete equipment again!

Mr. RALSTON: Oh no, no. Lewis guns are not obsolete.

Mr. HANSON (York-Sunbury): Well, pretty nearly so. I believe they are being discarded as fast as they can be replaced by Bren guns.

Mr. RALSTON: I thought the hon. gentleman was not a military man.

Mr. HANSON (York-Sunbury): Six: "Anti-tank rifles and anti-tank guns were not available for the division. They are being supplied in Britain." Seven: "Wireless equipment was not available. Some will be supplied here, some in England."

What about rifles? I understand that this division was equipped with reconditioned rifles, and that they will be discarded just as soon as new rifles can be produced.

What about gas masks? A disturbing suggestion has been made to me. I put it in the form of an inquiry. I understand that immediately before or after the beginning of the war the department arranged for the manufacture of 250,000 gas masks based on the theory that Germany would be using the same kind of gas in this war as she used in the last, but that information has come that this type of gas mask will not be useful for the purpose for which it is intended, and the whole supply has had to be scrapped except such as can be used for demonstration purposes. I do not vouch for the truth of this statement, but I ask the government to give attention to it; I have the right to put it before them.

Mr. ROGERS: If my hon. friend will permit me, does he want that statement to go out in its present form?

Mr. HANSON (York-Sunbury): I am asking a question. I have the right to do so, and the minister has no right to interrupt me.

Mr. ROGERS: I will answer the question, if my hon. friend will permit me. Is it a question?

Mr. HANSON (York-Sunbury): Yes, it is.

Mr. ROGERS: Well, I will answer it. The statement is incorrect.

Mr. HANSON (York-Sunbury): I am asking the minister to give consideration to this matter. He will find that there is a great deal more to it than he is willing to admit at this moment.

Mr. ROGERS: The statement is incorrect.

Mr. HANSON (York-Sunbury): All right. What about recruiting for these suggested divisions or other units, or for any? Surely the administration is not proud of its record on recruiting. Apparently there has been no plan. If there is, it has not been divulged to the public. I say to the Prime Minister and to the Minister of National Defence that there are thousands of young men in Canada who want to enlist, and the major part of the time there is no recruiting station for them to go to, no opportunity to enlist. In New Brunswick opportunities of enlistment have been extremely limited. I should like to page the young lady writer in the Toronto *Globe* who made a personal investigation and found that, last week, in the great city of Toronto, there were available places for fifty-three men. Apparently the government does not want young men to enlist for the front. I do not believe the Canadian people are satisfied with that attitude. If hon. gentlemen opposite doubt what I have said, let them read the leading articles in the great public newspapers of this country. The writers are, surely, pretty well informed; they do not rush into print with statements for which there is no foundation.

I say this, on my responsibility as a member of this house, that the people of Canada are alarmed at the lack of plan, the lack of preparation, the lack of action on the part of the administration. It seems to have taken serious reverses to the allied arms in an important theatre of war to shock the Canadian people into a realization that Canada is at war at all, and it has taken the same series of reverses to shock this government into action. Because the Canadian people are shocked they are now demanding that the inertness—shall I say complacency?—of this administration with respect to Canada's war effort shall be immediately ended. Britain and her gallant allies are fighting for their very existence, for our existence, for the liberty and the Christian civilization of us all, and Canada is not at their side. Is not that a sad thing, that at this time in our national history Canada is not there?

Let us end all this. Let us put into action the forces of the whole nation in men, in treasure, and all our resources. Let us pull our full weight in this great enterprise. I tell the Prime Minister and the government that no halfway measure will satisfy either our self-respect or the great mass of public opinion in this country which is calling for action.

I call upon the Prime Minister, when he replies this afternoon, to tell the nation what the government has done and what it proposes to do, and if that is not enough the people of the country will rise up in righteous indignation and demand a complete change. This happened in England and it can happen in Canada. The Canadian people will demand, over and above everything else, intelligent and informed leadership, intelligent and immediate action. If the Prime Minister will not give this, then somebody else will.

In the speech from the throne the Prime Minister has put certain words into the mouth of His Excellency the Administrator. I quote:

You have been summoned to the first session of a new parliament at a time of the greatest conflict in the history of mankind. Upon the outcome of the struggle will depend the maintenance of civilized society and the inheritance of human freedom for our own and future generations.

Those words are true, but later on these words appear:

The organization and prosecution of Canada's war effort have commanded the unremitting attention of my ministers.

I have no doubt they have been busy letting contracts.

The constant consultation and complete co-operation maintained with the governments of the United Kingdom and France have been materially strengthened by the recent visit to those countries of my Minister of National Defence.

Then it goes on to make this statement:

While the present session of parliament will necessarily be mainly concerned with Canada's war effort, and the measures essential to the achievement of ultimate victory, my ministers are of opinion that, despite what to-day is being witnessed of concentrated warfare, it is desirable, as far as may be possible, to plan for the days that will follow the cessation of hostilities.

These paragraphs read together presuppose that the government has been doing the utmost in its power to further the effort of the mother country and her gallant allies. If so, all I can say is that my right hon. friend and his government have most skilfully concealed from the Canadian people the sum total of their effort, because the country to-day—and no one is more sensitive to public opinion than the Prime Minister and his colleagues—is giving every evidence of its belief that this state of affairs does not exist.

I wish to put upon *Hansard* certain specific questions which I hope the Prime Minister or some of his colleagues will answer:

1. Is the empire training plan being rushed with all speed?

2. When shall we be sending trained men overseas under this plan—a year hence? If so, it will be too late.

3. How far have we advanced with the second division? I understand that the Prime Minister to-day, according to the public press, is going to announce a third division. Well, we have not got the second division ready yet. How far have we advanced with the second division?

4. What provision have we made to reinforce the first division? What is being done about recruiting and enlistment? Why is so little being done about enlistment? Is manpower no longer required? On the economic front, have we mobilized to the utmost our plant and industrial power?

These are some of the thoughts that are crowding through my mind, and I believe they are in the minds of the Canadian people. Our industrialists in Canada are patriotic and are anxious to do their part, but they cannot get a chance. At the Chateau Laurier the lobbies are lined with men from the United States trying to get orders, and I have seen a good Canadian there, a man at the head of one of the biggest plants in Canada, who told me he had found it absolutely impossible to get an order for war equipment. I will not mention either his name or the name of his company. If I did so, the name would be recognized as that of one of the biggest industrialists in Canada, and he would have little chance of getting anything, and he fears this too if his name were mentioned.

Mr. HOWE: For what reason?

Mr. HANSON (York-Sunbury): For the same reason that he is not getting any now.

Mr. HOWE: Perhaps my hon. friend, having gone so far, will mention the name of the firm?

Mr. HANSON (York-Sunbury): No, I shall not; I have not his permission. In fact, I have the reverse. I have had a long conversation with him and I know what I am talking about.

Mr. GLADSTONE: What would he like to manufacture?

Mr. HANSON (York-Sunbury): Aeroplanes. I will not say more. He is manufacturing aeroplanes for the British government. I am not going to weary the house, but I might ask this question: What about personnel? What about those among the personnel of the last war, members of the Canadian expeditionary force, who wish to serve? I know many of them. Many of them came to see me before I left for Ottawa and asked me to find out how they can get into the army again. They were men who were officers in the last war and who are capable of commanding units. How can they get into the army again? I made it my business to inquire at one of the departments. I do not know whether I was violating any rule laid down in this house since I was last a member, but I had the temerity to go to one of the higher officials in the department, and he told me that officers are being recruited and selected from the non-permanent militia. They are splendid men, I have no doubt, men who are keen to serve and of course I do know that some men are being selected from the old Canadian expeditionary

force. But why not more, say twenty-five per cent? Do experience and mature judgment mean nothing?

These are some of the things I am thinking about. There may be a good answer. I do not think any government which has in its ranks the Minister of Finance and the Minister of National Defence would have any prejudice against members of the Canadian expeditionary force; in fact, one would suppose the opposite to be the truth. I wish to do them justice. But why are not more of these men being taken on? They are asking this question, and we too must have the courage to ask it. The empire training scheme must be brought to the maximum of speed. We must have an intensified scheme of recruiting for reinforcement of our overseas division, and we must mobilize our industrial equipment.

Mr. Speaker, I apologize to this house for having detained it so long. During the past few days and over the weekend our hearts have been heavy with anxiety. We know that the first big push, the first big battle, is on. It is not ended yet. The forces of barbarism are stronger than we had any conception of. But I am glad to think the battle is not yet lost. At this moment there is no indication that the momentum of the enemy push is slowing up, not to speak of being stopped. But I have supreme confidence in the ability of the British and allied arms to withstand the shock. Stability will be established. But do not imagine that this is the end. Rather it is but the beginning of new and more severe aggressive action on the part of the enemy. The next drive may be the invasion of England herself, the first in ten centuries; and when that happens, then, my friends, this war will be that much nearer to us, and the event will carry with it to us an increasing anxiety and a correspondingly increasing obligation. Shall we rise to the occasion with our supreme effort? We must. We shall not falter. I was heartened yesterday in listening to the speech of Mr. Churchill. He is a man of stout heart. As I listened to him I recalled that England has been in many wars. She has won and lost many battles, but I am proud to think that England has always won the last battle. It is our hope and trust that she will do so in this war also.

This party which I have the honour to represent for the time being is prepared to help to the utmost. I cannot make that statement too strong. But we want to know and to be shown what is going on. The government must demonstrate to the people of Canada that the trust reposed in the government has not been betrayed, that the mandate given will be carried out to the utmost. I am not thinking in terms of party; I am thinking in terms of Canadianism.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, my hon. friend the leader of the opposition (Mr. Hanson) in concluding his remarks referred to the extremely grave situation which all free countries are facing, we in Canada in common with those great and brave countries, Britain and France and other nations formerly neutral, that have suffered so severely in the course of recent months. On Friday last my hon. friend asked me a question, to which I replied. The question related to the situation as it was at the time. When I had replied, indicating how very critical it was, my hon. friend said that he wished to assure me at once that he and his party desired to give all the cooperation they possibly could to the government, to support them in any action which they might be ready to take, and to assist in every way in the face of a common peril. My hon. friend concluded his remarks this afternoon in much the same strain. I had rather expected, I should perhaps say I had rather hoped, that in rising to reply to him to-day on the first day of the debate on the address, my remarks might be wholly congratulatory on his attitude and in the nature of renewed thanks on the part of the government to him and those associated with him for the cooperation which they had offered and which we believed they were prepared to give in full measure. I do wish to thank my hon. friend for what he has said in regard to the cooperation that is intended. I wish also to congratulate him on some of the remarks he made this afternoon. I am pleased indeed to find that in the discharge of the new duties that have fallen upon him he is full of the old vigour which he displayed in previous years and is now in a position where he may be able to contribute more and more to the public life of this country, as he has just said was his motive in wishing to be returned to parliament. I am sure all hon. members hope he may have that opportunity for many years to come. But I had expected that the offer of cooperation which my hon. friend gave would not be followed quite so quickly by a return to the political battles that were fought prior to and during the last general election. I did hope, in the light of the solemnity of this hour, that when he rose to speak he would say that all had better forget the battles that had taken place—

Mr. HARRIS (Danforth): He said that.

Mr. MACKENZIE KING: —accept the verdict the Canadian people pronounced so emphatically at the last general election, and from now on act, as far as it might be possible so to do, as of one mind in this House of Commons, giving to each other all the assistance we possibly can.

May I say I had fully expected my hon. friend would make a very brief speech this afternoon, that he would come immediately to the point, which is the one of chief concern in the mind of the Canadian people, and to which he referred as such, namely that the country is anxious to know, respecting Canada's war effort, what the government has done, what it is doing and what it proposes to do. That I think is the one question which the people of Canada are asking, and to which they are entitled to have an early and complete reply. They know in large part but they do not know all. Of necessity we have been obliged to wait until parliament met to make a comprehensive statement. Here alone questions respecting matters of national importance can be answered with authority as they arise. However, I am not going to take exception, beyond what I have just said, to the attitude of my hon. friend. I will only say that if the situation was grave on Friday last, it is if anything graver to-day. I hope, in the light of that knowledge, hon. members may not find it necessary to go back and forth over and over ground that was traversed time and again in the recent campaign, but will devote themselves primarily to a consideration of what at this moment, and from this time on, may be of greatest service in meeting the present situation.

I had thought that I would be able to give to the house before six o'clock this evening a statement with respect to what the government has done, what it is doing and what it proposes to do, that would immediately give to the people of our country that sense of security with respect to the government's actions and intentions which all of them wish to have and are entitled to have. Owing to the length of the speech which my hon. friend has made, it is not now possible for me to make that statement before six o'clock. I suppose my hon. friend will expect, and the house may expect, that I should first of all deal with some of the matters he has brought up in the course of his discussion, and that I should also comment on the different paragraphs in the speech from the throne to which he has referred. If I take up a short time prior to six o'clock in reviewing the ground he has run over, instead of immediately bringing forward the statement I have here prepared, it will be in order that I may not be open to the charge of having omitted reference to anything that has been said, but, instead, to endeavour to cover, however briefly, points which my hon. friend has raised.

First of all may I say to him with respect to his opening remarks as to the anxiety that exists in the minds of himself and others concerning the situation overseas, that this anxiety is not confined to any man, to any party, to any group; it is an anxiety which not only extends over this entire country, but is deeply felt in all parts of the world, particularly in those parts which hitherto have regarded themselves as free. I hope no hon. member on either side of the house will assume that any other member, no matter in what quarter of the house he may be seated, is any less anxious, any less sincere, any less loyal with respect to the part which this country should take in the present crisis than he himself may be.

My hon. friend has spoken of this war as a righteous war, a war in which there can be no question as to the justice of our cause. With that I think we are all in agreement. He has referred in appreciative terms to the speeches delivered on Friday last by the mover and the seconder of the address. I should like to thank him for what he has said of and to these newly elected, young members. The hon. gentleman referred to the speech of the seconder of the address as being a courageous and brave speech. It was courageous and brave, but I think my hon. friend rather spoiled the effect of his remark when he said that the courageous part of the speech which he quoted was received with applause only by members of his group and not by other parties in this house. May I say to him and to the seconder that with every word used by the hon. member for Vancouver North (Mr. Sinclair), we on this side are in complete agreement.

At the beginning of this new parliament, Mr. Speaker, I should like to say how much we welcome to the membership of this house so many young men, most of them returned for the first time. As the leader of the opposition has said, they are the ones who will have to deal with the problems of the future, and the future they face would appear to be more difficult than any period heretofore faced by the members of any previous parliament of this country. It is fortunate for them and for Canada that in their earlier years, before becoming members of this house, so many of them gave earnest study and thoughtful consideration to the problems of our country. I doubt if we could have had a better example of the good effect of the many clubs which have been formed in Canada for the purpose of directing the time and attention of their members to a study of political problems than that which was evidenced by the speeches made by the mover and the seconder of the address. The hon. members who moved and seconded the address have given careful study to political problems for many years. They have accustomed themselves to public speaking, and have come

into parliament not unacquainted with public affairs but already trained in thought and with judgment matured with respect to many of the great questions of the day.

I should like to express to the mover of the address, the hon. member for Lotbinière (Mr. Lapointe), my very warm congratulations upon the exceptionally admirable speech which he delivered. Like the leader of the opposition, I was impressed by the degree of confidence with which he spoke—and this is equally true of the seconder of the address—and the ability of each to hold the unbroken attention of the house. Few if any maiden speeches have been more suited to better the occasion than the speeches to which we listened on Friday last. I can hardly say whether my pleasure as I listened to the hon. member for Lotbinière was greater at his very obvious achievement, than was my pleasure in having the honour of sitting at the side of his distinguished father and sharing the pride he must have felt as he listened to one of his own family address this House of Commons of which he has been a member for so many years. As the leader of the opposition has said, there has been but one previous occasion on which father and son have sat in the same parliament as members of this house. My hon. friend referred to the gentleman who, as head of the Conservative party, held a very distinguished place. I should like to mention the great distinction which belongs to the right hon. the Minister of Justice (Mr. Lapointe, Quebec East) who to-day in point of membership is the oldest member of this house, and who in the affairs of Canada has played a part second to none in furthering the unity of our country. It must be a source of deep pride to him, as it is to all of us, that he has been privileged to hear his son speak words which must have brought to him the assurance that all he has so faithfully struggled and fought for in the course of his parliamentary and public life in the interests of the Canadian people is, God willing, certain to be carried on through years to come by the one who bears his name and who, I believe, will share his fame.

May I also congratulate most warmly the seconder of the address. His words were evidence of the careful training he has had, in part, at Princeton university and, in part, at Oxford university. May I say to him that he has given to parliament at this time of grave crisis in the world's affairs an assurance of the service which from this time on may be expected from him in the public life of our country.

The leader of the opposition took exception to the reference in the speech from the throne to the advisability of making an immediate study of post-war problems. I have been in parliament for some little time, and I think I know something of the way in which criticism is apt to shape itself. I am afraid that if there had been no reference of the kind in the throne speech, the first word we would have heard from my hon. friend would have been that it had altogether omitted one of the most important matters to be considered at this time, namely preparing as soon as possible to meet not only those great problems which will arise when the war is over but also those problems which are arising already in consequence of the war. I hope hon. members will feel that one of their supreme duties is to make a study of those very questions as speedily and as thoroughly as possible. Surely no one imagines that Canada's war effort will suffer in the least because a study of other questions is also undertaken. In this particular the government is doing what it has sought to do all along, to look forward continually to the situations that are likely to arise in the future.

My hon. friend mentioned the visit to Canada of Their Majesties the King and Queen. He drew attention to the fact that the present speech from the throne does not contain any special reference to that visit. If my hon. friend had been in the house at the time he would have found in the speech from the throne at the opening of the session of 1939, in terms which I am sure he would be the first to appreciate, a reference to the intended visit of their majesties. These were the words:

> The announcement that Their Majesty's King George VI and Queen Elizabeth have graciously decided to visit Canada in the months of May and June has been received with rejoicing throughout the dominion. The honour of welcoming their king and queen, in person, on their own soil, is a privilege which will be shared with enthusiasm and pride by all His Majesty's Canadian subjects. The visit will be the first paid by the reigning sovereign to any of his self-governing dominions. It will be the first time a British king and queen have been in North America. It is deeply gratifying that their majesties' tour will embrace all the provinces of Canada.

Then follows a reference to the intended visit of their majesties to the United States. In the speech from the throne made at the conclusion of that session there was again a reference to the visit of their majesties, which placed on record one of the most memorable features of the entire visit, namely the meeting of His Majesty the King with the members of the two houses of parliament. It was in the following words:

> In bringing to a close a session in which, for the first time, the king has been present in person in the parliament of Canada, I desire

to express the gratification of my government at the universal and heartfelt rejoicing of a united people who are being honoured by the visit of their sovereign. . . . It was a source of satisfaction to my government that his majesty was able to give the royal assent in person to the bill respecting the Canada-United States trade agreement.

In addition to these references to their majesties visit which appears in previous speeches from the throne there will be found repeated references in *Hansard* by myself and others to that memorable occasion. It is a pleasing coincidence that it was just a year ago this very weekend Their Majesties the King and Queen were in this capital city. If I recollect correctly, it was just a year ago to-night the members of both houses of parliament had the great honour of having the king and queen as their guests at a parliamentary dinner. I agree with my hon. friend when he says that the visit of the king and queen to Canada was one of the happiest events in the whole of our history, happy in the rejoicing it occasioned in all parts of the dominion and, above all, happy in that it served to reveal the affectionate regard in which their majesties are held by their Canadian subjects and the loyalty of the Canadian people to the crown. Further, it helped to reveal the unity of the Canadian people under the crown.

My hon. friend has been good enough to speak in kindly terms of such part as I may have had in extending on behalf of the Canadian people an invitation to their majesties to visit Canada. In doing that, I was but taking advantage of one of the high privileges which belongs to the responsible position I now hold and which I had been privileged to hold in some previous years. I believe it was in 1923 or 1926, when I was attending an imperial conference, that, through His Majesty King George V, I extended an invitation to have the Duke and Duchess of York visit Canada at an early opportunity. I now recall that that invitation was extended shortly after the occasion of their marriage. On a later occasion while in England on other business I repeated the invitation, and at the time of the coronation, when the responsibility was that of their majesties themselves, I pointed out how delighted the Canadian people would be should their majesties find it possible to visit our dominion. At that time I received from the king the assurance that the first opportunity their majesties might have to leave England on an extended tour would in all probability be given over to a visit to our country. When Lord Tweedsmuir subsequently went to England for a brief stay, His Excellency carried with him from the government a renewal of the invitation, the acceptance of which was definitely given for the following year. As I have stated previously, no words of mine could begin to express all that the royal visit meant at the time or what it continues to mean at this time, when it is the desire of members of the British commonwealth of nations to show their united strength under the British crown.

My hon. friend has referred to the loss our country sustained in the passing of Lord Tweedsmuir. At different times I have publicly expressed the sense of that loss, as I believe it was felt by all our people. I would add only this, that I believe no sovereign ever entrusted a great mission to a more faithful servant and that no prime minister ever had a more helpful counsellor or a truer friend than I had in the years it was my privilege to share with His Excellency in the affairs of the public life of our country.

May I add that with the leader of the opposition I am pleased to join in expressing the great pleasure it has given the people of Canada to know that Lord Athlone and the Princess Alice will shortly be in our midst. Their close relationship to the royal family will still further serve to keep fresh in our minds many memories which will always be cherished of the visit of the king and queen. With a knowledge of the part played by Lord Athlone in the years during which he was Governor General of South Africa I think we may regard ourselves as very fortunate that one who has so intimate a knowledge of constitutional matters and has had such a wide experience in public administration is to be the successor of our late Governor General.

My hon. friend has spoken about the general election. I had intended at this time to omit altogether any reference to that subject. Anything I now have to say in that connection will be exceedingly brief, because I have no desire to revive past political controversies. What I would like to say however is that, irrespective of party, we have reason to feel a definite pride in the strength of our democratic institutions when we reflect that in a time of war it was possible for Canada to carry through a general election, and in so doing to preserve inviolate the right of the people, within stated periods of time, to select anew their representatives in the parliament of the country. By many during the campaign, and to some degree this afternoon by the leader of the opposition, I have been censured for having brought about the dissolution of parliament at the time it was done. I ask hon. members this question: In the light of what has since occurred, is there a single hon. member who does not feel that it is a very fortunate thing that at this time of concen-

trated warfare we have a new parliament, assembled here with an emphatic mandate from the country to carry on Canada's war effort to the utmost of our might and power? Can any one imagine in what condition this country would be if we had continued with the old parliament, a parliament which at the very opening of its last session, despite the existence of war, began its duties in a spirit of party controversy? What would have been the condition to-day if partisan discussion had been continued in parliament for months, and the election been longer delayed? Imagine the confusion we would have if a general election were taking place at this time!

When I asked for dissolution I said it was the duty of a prime minister to take all circumstances into consideration and to have regard for what was likely to happen, as well as for all that had happened. I shall not repeat the immediate reasons which brought on the election, but I would remind hon. members that I said I thought it was advisable that the election should be over before concentrated warfare began in Europe. I said it would be advisable to have the election over before the great offensive which I believed would pretty certainly come in the Spring. I pointed out that our soldiers overseas should have the opportunity of casting their ballots if possible before going to the front, and that those in Canada should be permitted to vote before going overseas.

A prime minister at all times must shoulder heavy responsibility and that responsibility is particularly heavy in a time of war. He has a very special responsibility with respect to a dissolution of parliament. He has to advise as to what is most in the interests of the nation. If he fails so to do, he must bear the consequences of that failure. If I had the whole matter to do over again, in the light of what has since happened, I would, if anything, do it more readily than I did the last time. I know my hon. friends opposite were disappointed. My hon. friend said that when he heard the radio announcement he felt he would like to have assassinated me. I have no doubt he felt that way, and I think there were a large number in his party who felt the same way. But I was not thinking of him or of the Conservative party at the time when I advised dissolution. I was thinking of what was most in the interests of Canada at a time of war, and what the people of this country would expect. All circumstances considered, I think I have been pretty well justified in that action by the verdict which the people of Canada have given with respect to it.

My hon. friend has spoken about unemployment insurance and has said that he thinks the time difficult for us to carry through such a measure at the present session. He said that we ought to know, or at least he would like to inquire as to what would be the probable response of the provinces with respect to this proposal. He mentioned that for many years we have been seeking to get through an unemployment insurance measure, but may I remind my hon. friend that the present administration or rather a Liberal administration many years ago introduced an unemployment insurance act. It was a Liberal administration that put that act upon the statutes and it has been there ever since. It was a Liberal administration that increased the scope of the act as originally passed.

Mr. HANSON (York-Sunbury): That was the Old Age Pensions Act.

Mr. MACKENZIE KING: The Old Age Pensions Act.

Mr. HANSON (York-Sunbury). That is a horse of another colour.

Mr. MACKENZIE KING: We placed the Old Age Pensions Act upon the statutes. I beg my hon. friend's pardon. What I had in mind was social legislation generally. The Old Age Pensions Act was the first step in meeting the situation which arises from unemployment. Elderly people are the first to suffer lack of employment. What we as a party have been seeking ever since is authority to enact a federal measure which would make unemployment insurance applicable to the whole dominion. It has been felt, and rightly I think, that until we had reason to believe that the provinces generally were prepared to give that authority to this federal parliament, the government would not be right in proceeding with such a measure.

I am sure the members of the house will be pleased to know that the government has received the assurance of practically all the provinces that they will be prepared to support the administration in seeking an amendment to the British North America Act which will enable us forthwith to introduce an unemployment insurance act in this house. I am perhaps expressing the matter in too technical terms when I say that they approve an amendment to the British North America Act. What the provinces generally have approved is the enactment of the federal government of a national unemployment insurance scheme. This assurance has come from the provinces of Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan and British Columbia. I have a letter received this week from the Premier of Alberta, the only province whose name I have not mentioned. It expresses the view that the

government of Alberta would like to have the report of the dominion-provincial relations commission or a copy of the bill itself before expressing a final opinion. However, there is not in Premier Aberhart's letter any statement which would lead one to believe that if such a measure were introduced in this house, exception would be taken to it by the members from that particular province.

May I say that the government feels that with the backing of all the provinces I have mentioned—the letters will be tabled later on—we are justified in taking this step at this time. We feel moreover that it is desirable to take the earliest possible opportunity to introduce the measure now that assurance has been given so generally by the provinces. A time of war, when there is much in the way of employment in heavy industry, offers perhaps the best of all opportunities to begin a measure of this kind. Contributions will come in more readily at such a time. Then, if unemployment comes, as it may once the war is over, there will be upon the statutes a law under which men will be able to obtain their allowances.

My hon. friend has spoken of the defence of Canada regulations and has said that he hoped this would not be a case of merely sending the matter to a committee. He hoped that something more would be done in reference to the question than just putting it to one side. I think he said that the government ought to have a policy in connection with a matter of that kind. The policy, I may say, is already there, it is laid down in the regulations. This afternoon the Minister of Justice explained what the policy was. I may add that during the course of the campaign the government was asked repeatedly to refer the defence of Canada regulations to a committee of parliament. An undertaking to that effect was given. I have answered many communications which have been received complaining of the regulations in some particulars with the assurance that if the present administration were in office when parliament met we would see that the defence of Canada regulations were referred to a committee of the house so that hon. members might have a chance of expressing their views and opinions with respect thereto and of making to the house such recommendations as they might deem advisable.

I see I have come to the part of the address of my hon. friend where he began to speak more particularly of the war effort of the government. Also I notice it is just six o'clock. If I have passed over other points which the leader of the opposition raised, I hope he will forgive me for so doing. This evening after recess I shall begin immediately to answer what I believe to be the questions which are of most concern not only to my hon. friend but to other hon. members of this house, and to the people of Canada, namely, what the government's war effort has been, what it is at the present time, and what we intend it to be.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE KING: As I intimated this afternoon before adjournment, I intend to speak as briefly as possible on any matter other than that of Canada's effort in the present war. This is no time in which to review at length the state of the world. Swiftly moving events of the gravest importance to the future not only of this country but of the whole human family speak for themselves with compelling eloquence. No speech of mine could add aught to what already is all too well known. It is no time either for self-justification, or vilification, or for ancient controversies. I realize to the full, as other hon. members also realize, that the temper of the government, the house and the people and the crisis of the hour demand action and not argument, deeds and not words.

The character of the enemies of the human race against whom we and our allies are arrayed has been unmasked in all its barbarity and violence.

Within a period of eight months the tyrants of Germany have become the masters of Poland, Denmark, a great part of Norway, Holland, and the chief cities of Belgium. By weight of men and equipment they have brought devastation to the weak and the unoffending. Within the last few days their armed forces have made a deep incursion on the soil of France, and the German Reich is now preparing new attacks upon Britain from the lands which nazi brutality has violated. Words of passion and indignation will effect nothing. Knowing what the enemy has been and is doing, we must consider what we are doing and what we can do to meet him.

My purpose, therefore, to-night is to review as concisely as possible what Canada has done and is doing, and to indicate what further action the government has taken or proposes to take to meet the danger which threatens our allies and ourselves.

Some of the measures which have been taken and will be taken cannot, for reasons

which will be obvious, be divulged at all at this time. Some must necessarily remain but partially indicated. Within the limits imposed by military necessity there will be no secrecy.

The greatest crisis in the history of the British commonwealth is not the occasion for partisan congratulations or for partisan criticism. We are concerned not with the past but with the present and the uncertain clouded future. The task which is ours is a task for all Canada, not for any section or group of Canadians. It needs and will need the utmost vigour and whole-hearted assistance on the part of each and every one of us.

It has not been a simple matter for this country to move from an economy of peace to an economy of war, just as it has not been easy for the democracies of Europe who once hoped for peace, to make preparations against an autocracy that has consistently hoped for war and planned it.

The record of the war effort of this country and an outline of the plans which we have initiated and proposed to initiate will be unfolded. Vainglorious justification is as foreign to the spirit of this solemn hour, as is carping and hysterical criticism. All I ask is that, as this house surveys the government's record and the government's plans, the record and the plans be placed in their proper perspective and examined and assessed as a whole.

The world has greatly changed since 1914. Canada has changed with it. Our national status has changed. Our political responsibility has changed. Our financial position has changed. Our industrial capacity has changed. The problems of local defence and overseas activity have been revolutionized by the new range, effectiveness and destructive power of aircraft, submarines, mechanized weapons and military equipment. The machine of war more than ever dominates the man at war. Military power can no longer be resolved in terms of the number of men enlisted.

The final result of all these factors of change, the rise of air power and the elimination of distance, cannot yet, of course, be accurately determined. They have remarkably increased the necessary emphasis upon home defence. They have made clearer than ever the tremendous importance of our eastern Atlantic ports for the convoying of military and other supplies to Britain and France.

They have been responsible for the great significance it has been necessary to attach to air development—not only in connection with our own Royal Canadian Air Force, but also in regard to the commonwealth air training plan, in which we have such a vital part and place.

When you examine the expenditures made, and learn the appropriations proposed, in connection with the Royal Canadian Navy and the air force, you will be more than ever impressed by the differences between the waging of war in 1914 and the waging of war in 1940.

The world, perhaps, and Canada with it, has been slow to appreciate the extent and the meaning of these changes.

When we consider, also, the difference in the alignment of forces in this war, the possibilities of the spread of conflict in all directions of the compass, and our national duties for defence and cooperation with our allies not only on our eastern shores but in the Pacific as well, you will have some idea of the manner in which Canadian defence problems have been enlarged and intensified.

I shall proceed now, Mr. Speaker, to a brief review of what has been done and planned to date. I shall give the bare, plain facts in brief outline. Full details will be supplied by my colleagues as the session continues.

A country's war effort, while by no means wholly dependent upon its financial capacity, is nevertheless definitely limited by and subject to financial considerations of which too full and careful an account cannot be taken. Appropriations for and expenditures on war account are at least one index of its nature and extent. I shall begin this review, therefore, with a brief financial statement and a mention of some of the financial considerations of which the government has been obliged to take account.

First of all may I say that our financial situation is radically different from our situation in 1914. Then we were able to borrow money outside of Canada, both in the United Kingdom and in the United States. To-day we are prohibited by the neutrality legislation of the United States from access to their security markets. To-day not only are we unable to borrow in the United Kingdom, but one of the most important parts of our war effort has been, and will continue to be, our ability to repatriate our securities. It has been and will be our duty to provide Britain with a proportion of the dollar exchange she requires in order that she may purchase certain essential agricultural and industrial supplies on this continent.

The actual money which has been paid out of the treasury on war account in the first eight months of the present war has been more than double the amount paid out in the first eight months of the last war. On the 19th of February, the Minister of Finance made public his estimate that, for the fiscal year of

1940-41, we shall require for war expenditure alone, at least $500,000,000. The developments that are taking place and the additional activities and commitments which are proposed, and to which I shall refer in a few moments, have necessitated the revision of this estimate to at least $700,000,000.

In the happening of certain other events and in the making of further commitments, to which no reference can be made at the present time, the figure of $700,000,000 will be subject to a further revision upwards. In other words, our present estimate is that we shall be spending nearly two million dollars a day on Canada's war effort in the present fiscal year. Let it be clearly understood that that represents war expenditure only. For all purposes —war expenditure, plus the ordinary expenditure for the public services of Canada—the estimate will be over one billion dollars in the present fiscal year. I am just told by the Minister of Finance (Mr. Ralston) that the figure is not merely over one billion dollars, it is over 1100 million dollars. In other words, for all purposes, we shall be spending from now on an average of more than three million dollars a day. In the fiscal year of 1915-16, the total war expenditure on all accounts was $166,000,000.

The reasons for the increased costs brought upon us by the growing necessity of the situation I have already referred to. In the last war there was no Canadian air force, nor air training plan. In this year we estimate for naval expenditure alone more than $100,000,000. In the corresponding period of the last war, the estimate was $3,000,000. Our estimated naval expenditure in this first year, therefore, is over thirty times what it was in the similar period for the last war. The estimated naval expenditures for the present fiscal year are more than three times the total naval expenditure for the whole of the last war.

The needs of modern war, also, have almost doubled the cost per man of maintaining a division in the field.

In connection with supply, the total contracts let to the 15th day of May, amounted to $275,000,000. Of these amounts, $200,000,000 have been placed on behalf of the government of Canada, and $75,000,000 on behalf of the allied governments. With the exception of amounts totalling about $50,000,000, all contracts have been let in Canada.

Twenty shipyards are engaged in the production of 90 vessels of war. Production is well in advance of the scheduled time. There are under construction 82 aerodromes, 175 construction projects, including coastal fortifications, submarine defences and hangars.

There are on order 9,000 motor vehicles, at a cost of $14,000,000, 3,000 of which have already been delivered overseas.

War munitions are being manufactured at a cost of $80,000,000.

One large explosive plant is under construction. A second is in the course of organization.

Industry is working at full speed to meet the future requirements of clothing, boots and personal equipment. The production of small arms munitions is being expanded as rapidly as equipment can be installed.

The Department of Munitions and Supply, with the assistance of the war-time prices and trade board, has taken every available step to protect sources of outside supply, and ensure against a shortage of raw materials. In addition to this, constant study is given to the possibilities of the increased use of Canadian materials in the production of supplies for ourselves and our allies.

I now propose to give the house particulars of the present position in relation to the Canadian navy, the Canadian active service force and the militia, the Royal Canadian Air Force and the air training plan. I do not need to remind the house that modern warfare demands extensive and intensive training, that modern military and naval equipment cannot be built in the space of a few weeks, however strong may be the manufacturing and industrial resources on which this construction depends.

As at May 10, 1940, the personnel of the Royal Canadian Navy consisted of 952 officers, 5,662 ratings. These numbers include 125 Canadian officers and 100 ratings who are serving in the British navy. That personnel is being increased by recruitment, and will be increased as rapidly as ships come into service. There is a provision in the estimates for the current fiscal year for the increase in our navy personnel to a total of 1,450 officers and 10,000 ratings by March 31, 1941. There will be, of course, a progressive increase from this time to that.

In addition to our 7 destroyers, we have in commission 15 minesweepers, 6 anti-submarine vessels, 15 fishermen's reserve vessels, and 51 other auxiliary vessels. The conversion of 3 high speed merchant ships to light cruisers will be completed shortly. A number of other vessels have been acquired and are now being armed for patrol duty. There are under construction 90 additional vessels, which include 54 patrol vessels and 18 minesweepers.

The Royal Canadian Navy, apart from its patrol duties on our own coasts, is assisting actively in the coastal defence of Newfoundland, and is cooperating with the British and French navies in the Caribbean area. It is

also taking an active and important share in the convoy duty so essential if the military supplies and foodstuffs required by the allies are to cross the ocean in security.

I have already referred to the estimate of over $100,000,000 for the Royal Canadian Navy in the current fiscal year.

I now give you the essential facts with reference to the Royal Canadian Air Force. The figures which I shall quote are separate and distinct from the developments and projects of the commonwealth air training plan.

As at May 10 of the year, we had 1,389 officers, 10,926 airmen, or 12,315 of all ranks. Their disposition is divided between army co-operation, home defence, and the Royal Air Force contribution to the Canadian share of the instructional staff of the air training plan. In cooperation with the army, we have one squadron overseas; we have a second squadron completing its training in Canada. Provisions have been made for the continuous training of reinforcements for both squadrons in our army cooperation school. For home defence, we have 9 squadrons in our present establishment, and will have 12 squadrons when our establishment is completed.

In the Canadian active service force, the personnel as at the 10th of May, 1940, was as follows: The first division is overseas, and its strength has been enlarged by the necessary ancillary troops. The number of troops in the first division and its ancillaries is 23,438. At Canadian military headquarters there are 240 officers and men. The total of men overseas is therefore 23,678.

We have in training for overseas service a second division with its ancillary troops amounting to 24,645. We have under mobilization other troops under the following headings:

Depots and training centres	16,282
Troops engaged in coastal defence and anti-aircraft work	9,036
Troops engaged in guarding vulnerable points	1,665
Other troops in Canada	6,223

The total personnel in the Canadian active service force as of May 10 is 81,529.

In addition to the active service force the non-permanent active militia has been organized into eleven territorial regiments for the purpose of providing reenforcements for the Canadian active service force units overseas. Apart from troops overseas and troops engaged in home defence our troops are assisting in the defence of strategic areas in Newfoundland, and further assignments of duties are contemplated in the Atlantic area.

In the three services there were as of May 10 more than 100,000 men on active service. In addition organization has been provided for the reenforcement of the Canadian active service force and for the recruitment as rapidly as ships can be put into commission of the personnel of the Royal Canadian Navy. Recruitment of the Royal Canadian Air Force is intimately associated with the British commonwealth air training plan to which I shall now refer.

The British commonwealth air training plan is not an exclusively Canadian undertaking. As the name implies, it is a joint plan in which the four governments, those of the United Kingdom, Canada, Australia and New Zealand, are all concerned. The plan originated with the British government. The preliminary work on the scheme was done by the United Kingdom air ministry. Canada cannot alter the plan at her own exclusive discretion, nor without regard for the essential factors of the adequate training of men to meet the demands of modern aerial warfare.

Neither the commonwealth air training plan nor any other air training plan can turn out trained pilots, observers and gunners immediately after its inception. The immediate requirements of the United Kingdom air force were and still are being met by the training establishments in the United Kingdom, which were in full operation at the outbreak of war. The joint training plan was established for the purpose of maintaining the progressive supply of trained pilots and airmen, and increasing it steadily until the allied air force had attained decisive superiority over the enemy in the air. It was felt that the plan had to be orderly and free from confusion. It is worked out so that all stages of training are inter-related, and the training itself is on a progressively increasing scale. It is impossible to make arbitrary changes in the plan without disrupting its efficiency, and without consultation with the other members of the commonwealth partnership on which it is based.

I can illustrate the magnitude of the plan in no better way than by giving the house a list of the number of establishments required for its full operation. They are:

- 4 training commands, situated respectively at Montreal, Toronto, Winnipeg and Regina.
- 2 manning depots.
- 20 Royal Canadian Air Force recruiting centres.
- 3 initial training schools.
- 26 elementary flying training schools.
- 16 service flying training schools.
- 10 air observers' schools.
- 10 bombing and gunnery schools.
- 2 air navigation schools.
- 4 wireless schools.
- 4 repair depots.
- 4 equipment depots.

There are also several other important units, such as a technical training school, an air armament school, a central flying school, and so forth. In other words, there will be a total of 110 separate formations and units in existence when the plan is operating at full capacity.

To illustrate the progress which has already been made, I should like to place on *Hansard* a list of the units which have so far been established. They are:

Training command headquarters, Toronto.
Air armament school, Trenton.
Central flying school, Trenton.
Air navigation school, Trenton.
Service flying training school, Camp Borden.
Equipment and accounting training school, St. Thomas.
Manning depot, Toronto.
Technical training school, St. Thomas.
Initial training school, Toronto.
Equipment depot, Ottawa, now being moved to Toronto.
Equipment depot, Winnipeg.
Wireless school, Montreal.
Training command headquarters, Montreal.
School of aeronautical engineering, Montreal.
Repair depot, Trenton.
School of administration, Trenton.
Training command headquarters, Winnipeg.
Manning depot, Brandon.
Aircraft inspectors' school, Toronto.
Training command headquarters, Regina.
Twenty recruiting centres throughout the country.

New units are being established almost every week according to the program fixed in the plan itself.

It was estimated at the time the agreement was reached between the four governments that the total cost of the plan for the three years agreed upon would be about six hundred millions, of which the estimated Canadian share is three hundred and fifty millions.

Apart from pupils, about forty thousand officers, airmen and civilians will be employed when it is fully developed. Many thousands of pilots, air observers and air gunners will be trained each year on a progressively increasing scale.

I am aware that a growing feeling of impatience has become manifest in certain sections of the country with reference to what is believed to be the slow progress made by the British commonwealth air training plan and the fact that its contribution is not one of immediate effectiveness at this critical hour. We recognize that these sentiments spring from a very natural desire to carry at this moment a greater share of the load which is being carried by the mother country and our allies across the seas. But we do believe that they are perhaps coloured by lack of understanding of the magnitude of this undertaking, and particularly of the objectives which it is called upon to fulfil. If such a misunderstanding exists it is probably due to the fact that the public has not gained a full appreciation of the size of this project, the greatest individual effort which this dominion has ever made.

It seems to me important that I should recall to you that the British commonwealth air training plan, as I have mentioned, was based upon a request made to the governments of Canada, Australia and New Zealand, on September 26, by the government of the United Kingdom. In other words, this plan was not that of Australia, New Zealand or Canada, but was one worked out in the United Kingdom, and was proposed by them to be carried out in Canada, to provide an ever-increasing flow of trained pilots, air observers and air gunners to supplement the supply of Royal Air Force personnel available for manning additional aircraft when these were obtained through the expansi n of her aircraft and equipment program and her purchases of these from abroad. It is, I am sure, superfluous for me to say that the alternative, of sending a lesser number of airmen overseas at an earlier date, rather than greatly increased numbers at a later date, was discussed by the governments concerned, but the United Kingdom government felt very definitely that in view of her aircraft manufacturing schedules the present arrangements were those best calculated to serve her purposes.

I might say to hon. members that I have in my hand at the moment a copy of the summary of the memorandum of agreement between the governments of the United Kingdom, Canada, Australia and New Zealand, relating to the training of pilots and aircraft crews in Canada and their subsequent service. One of the terms of the agreement as to costs and expenses is as follows:

> The share of the cost of the scheme to be borne by the government of the United Kingdom will take the form of contributions in kind, to be delivered at such times and in such numbers as may be required for the efficient carrying out of the scheme.

I draw attention to that particular clause in the agreement because there seems to be the impression in Canada that under the agreement this country was to supply the aircraft, engines and so on needed for the carrying out of the scheme.

Mr. HANSON (York-Sunbury): May I ask if that agreement has been made public?

Mr. MACKENZIE KING: Yes, it was made public the night it was signed, December 17; or rather I have just been informed that a summary was made public.

Mr. HANSON (York-Sunbury): May I ask if it has been tabled? We do not seem to have it.

Mr. MACKENZIE KING: I recall the negotiations very clearly. This being an agreement between the different governments, at the time it was thought inadvisable to have the agreement in full made public. The essential features were set forth in a summary, which was then published. In regard to tabling a copy of the agreement itself, I would need to get the consent of the different governments concerned.

Mr. HANSON (York-Sunbury): I think that is quite all right, but I should like to see it if possible.

Mr. MACKENZIE KING: I will see that my hon. friend gets a copy, in any event, but before giving it to the public at large I would wish to get the consent to which I have referred. What I particularly desire to point out is that under the agreement the Canadian government undertook the administration of the scheme; it undertook to make provision for all the buildings and the like. There was also an undertaking as to the actual cost in cash, the proportion to be paid by the different countries, Canada, Australia and New Zealand. By far the greatest proportion of that cost was assumed by Canada. Great Britain's contribution—because this is a scheme which includes all four countries—did not take the form of money; it took the form I have just mentioned, a contribution in kind to be delivered at such times and in such numbers as may be required for the efficient carrying out of the scheme.

Mr. HANSON (York-Sunbury): I suppose that would mean equipment?

Mr. MACKENZIE KING: It means aircraft; yes.

Following upon the events of recent weeks, only a few days ago we asked the United Kingdom government whether that government would wish to see the schedules of the joint air training plan modified. The United Kingdom has stated in reply that at the present time the efficient prosecution of the war can best be achieved by adhering to the plans laid down for the air training scheme and by accelerating them to the utmost where practicable. After consultation with the British Air Mission it was agreed that the way to accelerate the plan would be the adoption of measures to expedite the purchase and manufacture of equipment, the preparation of aerodromes, hangars and buildings in advance of the schedule requirements. In accordance with this view certain special powers to act on its own authority have been conferred on the Department of Munitions and Supply for this purpose. I think I am right in saying—and the Minister of Munitions and Supply (Mr. Howe) will correct me if I am not—that as far as the construction of buildings and the like under Canada's obligation is concerned, already we are ahead of what the schedule requires. The minister assures me that I am correct.

The house will remember that the technical administration of the plan is committed to the Royal Canadian Air Force, and I cannot stress too strongly the admirable way in which Air Vice-Marshal Croil and his staff have carried out their heavy responsibilities. The government felt that it would be greatly aided in having the benefit of men with experience in business organization to supervise the administration, under the minister. From early in the war we have had the advantage of the services of Colonel K. S. Maclachlan, a prominent business executive, acting as deputy minister for navy and air; and under Colonel Maclachlan's regime the plan has proceeded at full pace in accordance with the program specified at its inception, which was in accordance with the timing as worked out by the United Kingdom air staff.

It was felt, however, as the plan developed, that in view of the great magnitude of the undertaking and of the many problems which it involved, a special deputy minister for air should be appointed whose chief responsibility would be to further the execution of the British commonwealth air training plan, and that this work should be undertaken by one whose energies and powers of organization were beyond question, who would concentrate his entire activities on the air side of our war effort. I was glad to be able to announce on April 11 that Mr. James S. Duncan, another outstanding business executive, had placed his time at the disposal of the government for a period. Since the day of his appointment Mr. Duncan has been applying himself to this momentous task with tireless energy and a realistic approach to its many problems. I believe that Mr. Duncan would be the first to say that he is receiving and has received the fullest cooperation of the government and of the officials of the departments concerned in the important work which he is doing; and I am glad to be able to announce that, in close cooperation with the Royal Canadian Air Force, the Minister of National Defence and the government as a whole, certain plans are in hand which, while respecting the United Kingdom's desire to leave intact the British commonwealth air training plan will, within

the limitations of the present situation, envisage the speeding up of Canada's air contribution to the allied cause.

In order that Canada's contribution in this branch of our war effort may be made as complete and as expeditious as possible, the government has decided to ask parliament to make provision for the appointment of an additional minister of the crown to be known as Minister of National Defence for Air, who will give his undivided time and attention to air activities and in particular to a close supervision of the commonwealth air training plan.

Mr. HOMUTH: Why wait until now?

Mr. MACKENZIE KING: I will answer that question. The government's final decision in this matter has awaited the return to Canada from the United Kingdom of the Minister of National Defence (Mr. Rogers), who has given the creation of a special ministry for air his full approval. I may say to my hon. friend that while the Minister of National Defence was in England he engaged in interviews with the heads of the various branches of the department of defence, and naturally the government awaited his return before taking a step which would involve any part of the work of his own department.

Mr. HOMUTH: Is he getting some engines for the machines we already have?

Mr. MACKENZIE KING: If my hon. friend is as interested in Canada's war effort as a whole as I believe the rest of the house is, he will refrain from interrupting until I have completed what I have to say. I might just ask my hon. friend if his interruption was intended to be a helpful one or to be an embarrassment.

Mr. HOMUTH: It was intended to be helpful.

Mr. MACKENZIE KING: Was it?

Mr. HOMUTH: Quite.

Mr. MACKENZIE KING: Then my hon. friend will be quite prepared, I am sure, to wait until later for an answer from the minister himself.

I do not propose to-day to refer to the organization of agriculture, the war-time prices and trade board and the large number of collateral enterprises and committees which have been insituted by the government in its preparation of the economy of Canada for the war needs of ourselves and our allies. Suffice it to say that the government's record on the economic front is not less impressive than that on the military front, and not less important. At the moment it is primarily as to the military effort that the country desires to be informed.

The dynamic forces which have changed the war situation in Europe within recent days; the unprecedented threat to the allied powers and ourselves, must be met at once by immediate action. Production must be accelerated to its limit. Training must be intensified. But however imperative the need, once we have determined—as we have—to meet actual and threatened events to the utmost of our strength and capacity, we must see to it that what is done shall be efficient, persistent and designed to guarantee that action which we believe will contribute most to the defence and triumph of the allied cause. The government proposes that there shall be devoted to the Department of Munitions and Supply the sole, exclusive and full-time services of a minister of the crown. His responsibility will be to correlate production activities, and to speed up in every manner possible the output of essential military and other material. For this purpose there will be conferred upon the Department of Munitions and Supply certain special powers which would not be accorded in normal times, to enable it to expedite the provision of equipment of materials of war for the armed forces.

Hon. members will notice that in developing Canada's war effort the government has proceeded step by step. With respect to the Department of Munitions and Supply it will be recalled that that department took over the work of the war supply board. The war supply board, in turn, had taken over what was formerly the defence purchasing board which had been formed before the war commenced. The development has been from the purchasing board to the war supply board, and then came the provision for a Department of Munitions and Supply. As hon. members know, since it was brought into being by proclamation, the department has been in charge of the Minister of Transport (Mr. Howe). The Minister of Transport has not only a full knowledge of the transportation problems in the economy of this country, but from the beginning had exercised supervision over the work of the war supply board. The minister and the government felt that there would be an advantage for a time at least in having the two departments administered by the one minister, in view of the correlation of their activities. He has since said, and we agree with him, that the time has now come when the time of one minister should be given exclusively to the work of a Department of Munitions and Supply. In this connection may

I pause for a moment to say how exceptionally fortunate the government regards itself in being able to secure the most valuable services of Mr. Wallace Campbell of Windsor, who devoted his time and energy, to the utmost of his strength and ability, to the work of the war supply board during the time he was at its head. Mr. Campbell has generously undertaken to continue an association, in an advisory capacity, in connection with war supplies and the Department of Munitions and Supply is taking advantage of his expert knowledge to gain such counsel and advice from him as is further needed at the present time.

The government has reiterated to the government of the United Kingdom its confidence in the productive capacity of Canadian plants as an alternative source of supply, relatively free from the danger of any enemy action. Canadian manufacturers have expressed their readiness to undertake to the limit of their capacity the production of all such supplies as can be manufactured in this country. The government has undertaken to assist in the organization of the fullest use of the resources of Canadian industry, as and when the British government indicates its wishes.

This afternoon my hon. friend referred to the fact that some productive plants were not working at the present time at full capacity. He seemed to feel that there had been some lag in the placing of orders. My hon. friend, and I assume other hon. members in the house, will understand that orders are being placed by Canada for requirements needed by Canada itself, and that orders come from the United Kingdom for supplies desired by the United Kingdom. United Kingdom supplies are ordered not from Canada alone but from all parts of the world, and the placing of orders in Canada by the British Government has been a matter which has required very careful consideration on their part. No doubt there are many orders which some interested parties in Canada would like to have seen placed prior to this time; but in these matters, as in all else, the situation has been governed by what has been considered possible and advisable on the part of the government of the United Kingdom.

To turn to another phase of the matter, the government has taken all possible steps to prevent sabotage and subversive activity, by propaganda or otherwise, against the allied cause. Our efficient Royal Canadian Mounted Police and other branches of the government concerned are fully aware of the situation, and have taken action wherever warranted. I wish, however, in this connection, to make two appeals. I appeal to all citizens of foreign extraction to remember that they are living in a land which is fighting to maintain the freedom which they now enjoy, and the possibilities of international goodwill which enabled them to settle in our midst. I appeal, also, to all members of the public to refrain from persecution and panic action against harmless and law-abiding people who share our life and in most instances our common citizenship.

In view of the critical turn of events in Europe within the last few days, and in the light of information obtained by the Minister of National Defence on his recent visit to England, the government has decided to take the following additional measures to strengthen our armed forces, and to enlarge our contribution to the allied cause. These decisions, and those which I have already mentioned, are being translated into action. They are all in addition to the work which has been done and planned in the military, naval and air spheres of action, and on the economic front.

We have decided to advance the date of the dispatch overseas of the second division of the Canadian active service force.

We have decided to advance the date of the dispatch of such further reinforcements of the first division as have not already proceeded overseas.

We have decided to push forward the recruiting of reinforcements for the second division of the Canadian active service force, which will follow that division overseas at the earliest possible date.

There will be formed a Canadian corps in the field in accordance with arrangements which have been discussed with the British War Office.

Besides the two divisions and their ancillary units, the corps will include the necessary additional corps troops and will involve the dispatch overseas of several thousand men beyond those which I have already mentioned.

We shall undertake the raising of a third division, to be available for such service as may be required in Canada or overseas.

We have assigned, at the request of the United Kingdom government, certain naval and military formations to active duty in the Caribbean and North Atlantic areas.

There will be dispatched overseas, as soon as possible, No. 112 army cooperation squadron to act as a reserve for No. 110 cooperation squadron now overseas.

As already mentioned, we shall adopt every feasible method of accelerating the output of pilots and air crews from Canada for service in the field, at the earliest possible date.

Steps have been taken in order to advance beyond the agreed and predetermined schedule the preparation of aerodromes and hangars, and the like.

Mr. Speaker, this reviews in brief some of the details of the action the government has taken to meet the critical needs of the hour. The national interest prevents my disclosing some further details in connection with these items or from referring to other developments the government has already begun.

May I pause here for a moment to say to hon. members that I am sure the review I have already made will be sufficient to indicate the force of what I am about to say. With a world situation such as our own and other countries must face to-day, it is necessary for the government to take account not only of the happenings of the immediate moment but of possible happenings during the period through which this war may run. The situation is vastly different from what it has been heretofore. As I said in my remarks at the outset, during the last war we had Japan as an ally, we had Russia as an ally, we had Italy as an ally and we had practically no problem on the Pacific coast. For some considerable time the United States also was an active ally and, as I have said, there was no problem to be considered in connection with the Pacific ocean.

In connection with the Atlantic coast there was very little to be considered. At that time the British navy undertook the protection of our Atlantic coast and we were actually being protected by the British navy in our immediate coastal waters. Our navy was a tiny affair, I believe of two ships, the *Rainbow* and the *Niobe*. These ships were taken over by the British navy and became part of that navy. In this war our navy is a unit which is serving actively on the Atlantic coast and it is rendering most valuable assistance to the British navy itself.

We know the developments in the war up to date, but we do not know what they are going to be to-morrow. We do not know what they are going to be a week or a month or a year hence. We have, therefore, to consider not only what we can do in the way of cooperation overseas but also the possible happenings with respect to Canada itself. This is one of the things that I hope hon. members will keep in mind. We have to see around all the sides of this situation and view it in relation not only to the Canada that we knew in the last war but to the Canada that is a nation to-day.

One hardly dares to suggest the thought, but should our enemy triumph in this particular struggle it is not France, it is not England, it is not Holland, it is not Belgium, it is not Norway, it is not Poland and it is not Czechoslovakia that they would seek as a prize of war; what the enemy are looking for is great new areas of development. That is what underlies this struggle for world domination and we cannot afford to ignore at this time every conceivable possibility with relation to each part of the British commonwealth of nations.

The urgent appropriations with which this house will be called upon to deal, the various measures to be introduced by the government, many of which are on the order paper, will command the earnest attention of each one of us. I appeal to all members to avoid time-wasting procedure and to purge the order paper of items which cannot by any stretch of the imagination be considered a contribution to the solution of our problems. Above all, I know I shall not ask in vain that the time of hard pressed ministers of the crown and of hard working civil servants should not be diverted from their many tasks to deal with matters which are not essential.

It is the opinion of the government that the circumstances of the hour require that the urgent matter of the prosecution of the war and of Canada's part therein calls for the most immediate and thorough discussion. We do not desire to remove and do not propose to curtail unduly any of the privileges of hon. members, but the government believes that in the present emergency government business should have the right of way over the debate on the address. It is therefore suggested that the debate on the address be shortenend by arrangement between the whips. If such an arrangement is not found to be possible, I may propose that the debate be adjourned.

In making statements of that kind I shall have to ask hon. members to realize that they are not made with any view of enabling the government to avoid criticism or to take away from any hon. member a privilege which should be his, but rather because something is known of how exceedingly grave the situation is at this very time. I believe that all hon. members will feel as I do, that the more quickly we can begin consideration of the bill of the Minister of Finance (Mr. Ralston) which has to do with war appropriations, and which measure will enable the fullest discussion of everything pertaining to the war and the war effort of Canada, the better it will be in all respects and the more action of that kind will be approved by the country. So I am going to suggest that a step of that kind be taken and I hope that the house will give its approval.

As I have said, it appears to my colleagues and myself that all matters pertaining to the war can be more appropriately discussed dur-

ing the consideration of the resolution providing the moneys required to support Canada's war effort. This resolution is already on the order paper and might, if the house were agreeable, be proceeded with to-morrow or on Wednesday. In view of the crisis, however, the government will be obliged to proceed with the war appropriations not later than Wednesday, and will take such steps to that end as may be necessary under the rules. I propose to discuss procedure with my hon. friend opposite and with other hon. gentlemen who are leading groups in this house. The procedure which I believe to be best designed to meet the dominant needs of the critical situation is as follows.

There should be a general debate on the resolution. We can then refer the appropriation bill to a committee or committees of the House of Commons in order that there may be disclosed to the members of those committees information which would not probably be in the public interest to place on the pages of *Hansard* or to broadcast in debate to the House of Commons. I propose to ascertain the views of the leaders of the house with respect to these committees. It may be that a separate committee surveying the work of each of the fighting services would be preferable to one dealing with defence matters generally. It is I am sure unnecessary for me to advance the hope and the desire, for I am sure that hon. members share both, that the personnel of these committees be selected with the utmost care.

I should like to emphasize that the setting up of these committees will not preclude in any way any member from debating any subject to which he may desire to call the attention of the house and the country, and I give my assurance to hon. members that the constitution of such committees will not be used as a pretext for concealing any information which it is in the public interest to disclose. While officers of the department and of the service will attend the committees when required, it would be a great disservice to the country at this time if members were to keep officers from their regular important public duties unless it is absolutely necessary.

I have sought to pass in brief review the main facts in connection with the war effort of this country. Everything that we have done has been done with the full approval of our allies and after complete consultation with them. We have done, and planned to do, the things which they have deemed most essential to the triumph of their cause and ours. I have told you what can now be told of the prompt and additional measures we have already taken to assist the cause to which we have pledged our honour. As circumstances permit, more will be disclosed.

I need scarcely say that hysteria and panic will add nothing but confusion to the performance of a task that is long and difficult. Munitions and implements of war cannot be forged overnight. The duration and intensity of war have alike to be taken into account. Similarly, the sailors, soldiers and airmen required to meet fresh situations as they arise in all quarters of the globe cannot all be trained at once. No one is more conscious than my colleagues and I of the necessity of vigour of action, patience of heart, and steadfastness of soul. We have acted and shall continue to act to the limit of our wisdom and knowledge and power.

I know that the government can rely upon the support of all sides of this house as long as it does all that is humanly possible to carry out its duty to the people of Canada. To assist us we shall need and, I believe, we shall receive the unwavering resolution and the full cooperation of every true man and woman in this country. If this war is lost, and tyranny triumphs, our world with its gift of freedom, and its promise of happiness for all men and women, will be lost in utter darkness. No sacrifice is too great to prevent that calamity.

The gallant youth of this country will soon be marching through the fires which have been devouring nations as well as armies overseas. They will be true to the imperishable traditions of their fathers. Everything that we can do, every help that we can give, every contribution that we can make, every comfort, great or small, that we must surrender, is as a grain of sand compared with the treasure which they offer on the altar of humanity.

Those of us who have heard the calm, brave words of Prime Minister Churchill and Prime Minister Reynaud do not doubt that the two great races from which this land derives its sinew and its strength will keep the torn flag flying on the battlements of freedom. They have faced, and we have faced with them, perils almost as great, situations almost as grave, in the days that have gone. We, and they, have remained unshaken and triumphant. It is my faith that we shall remain unshaken and triumphant again. The end of the war will find the people of Canada, where the beginning of the war found us; standing, united at the side of Britain and of France.

Mr. Speaker, I should like if I might be permitted, before the house adjourns this evening, to read a message which I sent this

morning to the Prime Minister of Great Britain with reference to the speech which he made last evening, and I shall give that to the house at the conclusion of these proceedings.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, in rising to participate in this first debate of a new and what may be a fateful parliament, I do so with considerable regret that the hon. member for Winnipeg North Centre (Mr. Woodsworth), our leader, is unable to speak for the group with which we are associated. I know that hon. members on all sides of the house sincerely hope that he will be restored to health in a short time.

We wish to congratulate you, Mr. Speaker, upon your election to the high and ancient office which we are sure you will occupy with that dignity and impartiality which we appreciated in your predecessor.

To the mover and the seconder of the resolution we extend our congratulations, particularly to the hon. member for Lotbiniere (Mr. Lapointe), whose distinguished father must have been proud of his son's maiden speech in this House of Commons.

We are meeting to-day under the shadow of a great crisis. I want to say at once to the Prime Minister (Mr. Mackenzie King) that we of this group are prepared to facilitate in every particular the business of this house. Like the labour parties of Great Britain and other parts of the British commonwealth, the Cooperative Commonwealth Federation is essentially a peace party. We hate war with a passionate hatred because all history teaches us that, in the words of the Prime Minister spoken in this house in March of last year, war settles nothing. We know that the men who bleed and die will leave behind them only mourners who, when the conflict ceases, will pay for the struggle in tears and in treasure. Because of this, when we believed there was yet time, we advocated national and international policies which we are convinced would have promoted peace and prevented war.

We watched with growing misgivings the march of fascism and the rising menace of the nazi movement in Germany. We said that those who were encouraging these movements would bring mankind to the very brink of disaster. Nearly three years ago Mr. Heaps, then Cooperative Commonwealth Federation member for Winnipeg North, moved in this house a resolution asking our government to approach the President of the United States with a suggestion that he consider the advisability of calling a world conference in an endeavour to secure a peaceful settlement of international disputes. Subsequently, when the sky darkened still more, we urged our own government to initiate the calling of the League of Nations assembly to stop the threatened crisis. Whenever opportunities arose, we tried to focus attention on the international situation and the growing danger to Canada. We have made mistakes, as any body of people dealing with difficult situations are bound to do; but we have always held that freedom is the foundation of life and of human happiness.

We have watched the suppression of liberty in other countries. One by one and often together, freedom of thought, freedom of association, freedom of religion, freedom of speech have disappeared as dictatorships have become more powerful. We dreaded war because we knew that when it came our basic freedom would be endangered in our own dominion. Nor were we wrong in that assumption, for the defence of Canada regulations have in our opinion gone beyond the point warranted by an outbreak of war. We readily admit that when a nation is at war, actions against the safety of the state must be prevented or punished as the case may be, but we insist that every man shall have the right to plead guilty or not guilty before a competent authority in open court. Under section 21 of the defence regulations it is possible for this basic right of British citizenship to be taken away.

For a second time within a generation we are called upon to make the sacrifices demanded by war. At the outset of the struggle, the Cooperative Commonwealth Federation group in this house presented a statement expressing its attitude in the crisis. We said then, and we believe now, that the preservation of national unity and security must be kept in mind as cardinal principles underlying all we do. We said then, and we believe now, that Canada's best assistance can be rendered to the allied cause by organizing our economic resources efficiently, and granting to the allies every material aid without profit to this nation or to any individual within it. We believe that such aid may become even more important if British and French industrial centres are subjected to violent air attack, for it is obvious now that the machines of war are more necessary to ultimate victory than the provision of large contingents of infantry. It is in the field of mechanized warfare that the allied cause is said to be deficient. It is in this field that Canada can and must render her greatest assistance.

I suppose too that recent events, the power and range of the aeroplane, the organization of so-called fifth columns and so on, have brought home to many a Canadian the urgent need of coastal and home defence in a nation which comprises such enormous territory and

whose coast lines extend for thousands of miles in length as do Canada's. Thus the proper organization of our industry and the defence of Canada and adjacent allied territory will tax our resources of man-power to the utmost.

Nearly all members of this house were in agreement during the election campaign that conscription of man-power for overseas service would split this country into pieces and take us out of the war as an effective allied force. Hence we believe that any policy which would even raise a demand for conscription for overseas service would cause internal divisions which would have almost as disastrous an effect as the actual adoption of that policy by parliament would have. In the last house the Prime Minister (Mr. Mackenzie King) and the Minister of Justice (Mr. Lapointe) made statements which reassured our people on this point. This is a new parliament and the government contains new ministers. So I urge the Prime Minister or the Minister of Justice to give the same assurances to this house as they gave to its predecessor. For the reasons I have given, in September we did not approve the sending of an expeditionary force overseas. The government intimated that while it sought appropriations for the defence of Canada in and beyond Canada, it had not then been decided whether an expeditionary force would be sent. Within two weeks after the prorogation of parliament the announcement was made that an expeditionary force was being organized for overseas service. In our opinion decisions of such gravity, as well as commitments for the expenditure of millions and millions of dollars such as we have heard of to-night, should be made by parliament. None of the private members knows the extent to which we are involved by the enormous commitments that have been made since parliament sat in September. We are prepared to support the struggle against aggression and for the preservation of democratic institutions, but we insist that democratic institutions shall be respected and safeguarded in our own country. In two weeks it will be a full twelve months since parliament met in regular session. Ever since the outbreak of war we have been governed by decree, and the actions of the government still remain shrouded largely in secrecy. In democratic countries, as Mr. Winston Churchill said in that address of his on January 27 last, "Public men are proud to be the servants of the people. They would scorn to be their masters." The Cooperative Commonwealth Federation believes that this parliament, representing the people, must demand that its supremacy be restored. At no time during this crisis should parliament recess for more than two or three months. A standing committee representative of all parties should be set up for the continuous scrutiny of every phase of our war effort and our war expenditures and for consultative purposes.

During the past few weeks we have viewed with increasing alarm the onward sweep of German aggression. Again and again men and women have asked how all this could have been accomplished by a people who less than ten years ago were almost entirely without armaments. The answer is to be found I think in the fact that the nazi dictatorship has planned its every activity for a diabolical purpose, while we continued to muddle along without any plan other than the hope that something might turn up. The challenge to the democratic nations lies not only in the military field but in the realm of economic effort. If it is possible to plan a nation's economy for a diabolical purpose, it is equally possible and certainly necessary to plan it for the welfare and protection of its people.

At the moment we bend our efforts towards bringing the war to a successful conclusion. Already economic controls and directions which the government refused to consider in times of peace have been instituted because of our war effort. I was struck last September when a government which could not find money to provide more adequate prices for farm produce or appropriations for public works and human welfare could suddenly find millions for the purposes of war. This fact was noted by the people of the country, and when the war ends Canadians will not go back again to riding the rods, to unemployment and to misery, without grave danger of civil disturbance and social dislocation. That is why we welcome the appointment of a committee now to consider plans to be put into effect when the war ends. I hope it is not going to be just the usual way of disposing of a difficult problem, as reference to a committee so often has proved to be. Such a committee should be required to make definite plans and request definite appropriations now to meet the needs of this country when the war ends.

The end of the last war found this country unprepared for the problems it created. The demobilized soldiers and war workers suffered intensely from the misery caused by unemployment and want. In contrast, the rich who had bought war bonds enjoyed a steady and permanently secure income. This must not happen again. We believe that the obligation to the soldier and his dependents should be as binding, yes, more binding, than our obligation to the bondholder. We urged that the soldiers' security should be secured

by a bond or government insurance policy designed to provide adequate maintenance for himself, his family and dependants as long as he or they may require it through adverse circumstances. This has not been done. On the contrary, complaints have reached me that agents of profit-making private insurance companies are permitted to canvass troops in training for life insurance policies that will lapse if the men are demobilized and become unemployed. I intend to ask some questions regarding this matter at the proper time.

We welcome the promise that a bill for unemployment insurance will be introduced. We trust that it will secure the support of all the provinces and be sufficiently comprehensive to meet our present and post-war needs. But more than this will be needed to provide for those who will not be within the scope of that measure. We need to plan definitely and intelligently for present domestic needs and for post-war problems. I can assure the house that the Cooperative Commonwealth Federation will lend every assistance it can in these matters also.

The plight of agriculture has been a sorry one for the past ten years. Last Saturday wheat prices crashed again, and the government, which condemned pegged prices in former years, was forced to step in last Saturday and peg the price of wheat at 70 cents for No. 1 northern at Fort William. At the outbreak of the war we urged that the speculative markets for wheat and other produce should be closed and that proper parity prices should be established and marketing undertaken by appropriate marketing boards on which the producers should be properly represented. The low-pegged price of wheat and the relatively low prices of other farm produce, together with the rising price of farm machinery, clothing and other commodities, spell ruin to the prairie provinces. In these and other parts of the country dairy products, hogs, tobacco, fruit have suffered falling prices. No real guidance has been given to the farmer; no planning undertaken, no attempt made to establish parity prices for these primary products. No other country at war has let such matters drift as we have done. We cannot conduct the war successfully, we cannot cope with the problems of peace, if we allow our basic peace-time industry to suffer virtual bankruptcy.

Some will say that we cannot consider such matters now. But in no small measure our ability to wage war, to finance it, and to prepare for post-war problems depends upon our internal domestic situation. A glance at the Sirois report will indicate the dangerous condition to which our great basic industry and the rural population have been reduced. Recommendations in that report will be fully discussed later in the session, but at the very first opportunity I wish to protest against conditions existing in many parts of Canada. Other members will undoubtedly present some concrete evidence of the deplorable conditions under which many of our people in urban and rural Canada now live.

When the government announced a few weeks ago that federal grants for relief had been drastically cut, many municipalities were faced with either virtual bankruptcy or the neglect of the poor and suffering. I was in Biggar in my constituency when the relief inspector met the municipal council and announced to them that they must finance relief themselves. By dint of curtailing essential road repairs and social services the council had managed to set aside a small emergency or reserve fund of about $3,000. They were told that because they had this small sum they could expect no aid from the provincial or the federal government. I saw the case histories and statements of relief applicants who had suffered years of privation and were now to be refused assistance because the council had lost outside help. Fifty other municipalities in Saskatchewan were similarly dealt with.

The Sirois report clearly shows the financial inability of the province to carry the burden, and by an arbitrary ruling the governments refuse to assist in doing so. This parliament therefore must accept some responsibility for these conditions. Indeed, the Sirois report shows that trade, tariff and other policies of successive federal governments are responsible in no small measure for the plight of farmers, fishermen and Canadian workers. We believe that intelligent economic planning would enable us to provide an adequate standard of living for the great mass of the Canadian people. This our present and pre-war economy failed to do.

I was startled when on my way back from Saskatchewan after the election I read in the Toronto *Star* the results of the routine physical examination of 299 Montreal children at the Iverly community centre. Only five were found to be physically fit. Twenty-one of the group, ranging in age from seven to fifteen, were referred to hospital for immediate treatment. One-half were underweight, while four out of every five had a temperature above normal. Four per cent had serious ear conditions; sixty per cent had serious dental conditions; thirty per cent had infected throats; four per cent had a heart condition; eight per cent had chest conditions and were sent to be X-rayed, and twenty-nine per cent

had other serious physical defects. Miss Esther M. Beith of the Child Welfare Association said that approximately sixty per cent of the children came from homes where the parents were on relief, while the others came from homes in the low income brackets. It is all very well to say that nothing else matters but the successful prosecution of the war. The Cooperative Commonwealth Federation will cooperate to bring the war to a successful conclusion, but it intends at the same time to urge that we wage unremitting war on poverty and insecurity within Canada.

Such conditions existed in peace time under successive Liberal and Conservative governments who never ceased to boast of our great resources and our mounting national wealth. We believe that our greatest resources are the men, women and children who comprise our population. To-day we pick up the newspaper and read of the huge sums being made by corporations engaged in mining and war industries. The Cooperative Commonwealth Federation demands that war profiteering must cease. Last year we enacted a measure to limit the profits on war contracts let without tender to five per cent. This was set aside by order in council on August 26 last, and abandoned in the Munitions and Supply Department Act adopted by parliament in September. The Cooperative Commonwealth Federation believes that the only effective way to eliminate war profiteering is to nationalize all war industry. This too would prevent the export of essential war material to potential enemies and indirect shipment to enemy countries. Ever since the war began we have continued to export nickel, copper and scrapiron to aggressors and perhaps even indirectly to enemy countries. Recently we read that the largest copper mine in the constituency of the seconder of the address in reply, the hon. member for Vancouver North (Mr. Sinclair), the Granby mine, had renewed its contract to sell to Japan all its output of copper for the next three years. Right up to the outbreak of war Canadian supplies were going to Germany. We boasted of our expanding trade in such commodities, and now we see them returning to our kith and kin in more menacing form.

Mr. SINCLAIR: May I be allowed to correct the hon. member? The output from the Britannia mine in my riding, which is the largest copper mine in the British empire, does not go to Japan.

Mr. COLDWELL: The mine I referred to is the Granby mine which I thought was in the hon. gentleman's constituency. The Granby mine made the contract to which I have referred, and of course that contract was made with the approval of the government of Canada. I said these commodities may be coming back to-day to our kith and kin in a more menacing form. I wonder whether the tanks which are ravaging France to-day were made in part at least from scrapiron and nickel shipped from Canadian ports last summer. To-day the copper which we export to Japan mangles the bodies of Chinese patriots. To-morrow it may return in another form to the Pacific coast of the United States or of Canada. Each year we of this little group have urged the stopping of the export of such supplies to aggressor nations. In peace time the government made excuses which many Canadians appeared to accept. In war time, and in the present state of the world, surely no excuses ought to be accepted.

We hear, too, as we have heard to-night, that huge sums of money are to be borrowed. A year ago interest rates were low because there was no demand for money. To-day we float loans at 3¼ per cent, an attractive rate of interest on gilt-edged Dominion of Canada securities. In our opinion the burden of interest, if the war lasts long, will be intolerable. Men are asked to give their lives. Surely a nation has the right to demand that accumulators of great wealth, both personal and corporate, should give their surplus money without interest. In this manner something approaching equality of sacrifice might be achieved. This becomes all the more necessary when we realize that we have undertaken to finance not only Canada's own war effort but also British purchases in Canada, through the repatriation of Canadian securities. There must be no profitable patriotism in this great struggle. The Canadian people have the right to demand that these matters be dealt with by this parliament in a manner befitting the economic and social needs of war and of peace. If honest attempts are made to do so, then the Cooperative Commonwealth Federation, together with all other loyal Canadian citizens, will cooperate to stop aggression; but if the government fails to grapple with these problems, the war will not be brought to a successful conclusion though our fighting forces win overwhelming victory abroad.

Let me say again that our group will do everything possible to facilitate the business of this session. We believe that an alert opposition is essential to the efficient functioning of democratic government. We do not know when this war will end. We believe that victory will crown the allied cause, but the end of the present war will create problems more challenging than any we have ever known. It is certain that whatever the outcome the world will never be the same again. In my opinion the balance of the lives of

all members of this parliament will be spent in one of the greatest periods of reconstruction on a world wide scale that mankind has ever seen. That reconstruction will demand more intelligent planning and control than so far many of us have seriously considered. Now we plan for war; to-morrow we must plan for a lasting and enduring peace. How that enduring peace may be secured is a problem we must approach while war still rages. One thing is certain; enduring peace cannot be secured through the domination of one people by another or, in the narrower field of human relationships, through the domination of one man by another. Peace, when it comes, must guarantee that the way of life of one nation will not be menaced by another nation. This involves the elimination of exploitation both at home and abroad. While each nation must be free to work out its own destiny, it must be prepared to recognize the rights of racial and religious minorities within its own borders. This will involve, too, the renunciation of war as an instrument of national purpose, and hence some form of collective security must be devised. International disarmament must be a principal war aim, in order that there can be a transfer of disciplinary power to an international authority. In short, our aim must be social and international justice at home and abroad. To such an effort the Cooperative Commonwealth Federation will lend its utmost support and give its assistance now and in the days to come.

We join with all members of the house in hoping that the day will speedily arrive when the present conflict will end and the democratic peoples of the world once more will be able to live in peace and friendship one with another, and to banish from the world for all time the economic and social causes which have led to modern, recurrent wars.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, in rising to take part in this first debate at this most sombre moment, I feel greatly depressed, but at the same time, while this is perhaps one of the darkest hours through which the British race has ever passed, I believe that if we behave as we should and put our house in order, the God who has seen us through the perilous times of the past will come to our aid and guide us safely through this dreadful time.

Since we last convened in this chamber several events have occurred. Our late governor general, Lord Tweedsmuir, has been called to that nobler work beyond, for which his rich and varied earth life so abundantly prepared him. As a public man he was ever discreet and proper, yet colourful; quiet and unobtrusive, yet noticeable; unaffectedly gracious and amiably dignified, whether distinguished in viceroyal regalia, attired in formal dress, or adorned with the arrogant costume of an Indian chief. At his death we were shocked; his loss Canada spontaneously mourned.

Since last we met, the world's war effort has intensified appallingly. Our enemy has given yet further proof of his strength, skill, organizing ability, courage and determination.

The Alberta people have returned the Aberhart social credit government. While to introduce this fact at this stage may seem incongruous, yet we of this group believe that this event is of tremendous significance to the future of Canada and perhaps even to the winning of this war. That occurrence has two meanings. The first is that an effectively substantial portion of the Alberta voters have confidence in the Aberhart administration, which stands for social credit. The second is that those voters believe that the principles of social credit are sound and that those principles, if introduced into the Canadian economy, would serve as a basis for an abundant life. Furthermore, inasmuch as the election was fought during the war, with the clouds of adversity, anxiety and fearfulness impending over us, the vote had a significance with respect to the war.

An election has swept the Liberal party into power, first, to win a war—and without conscription—and, second, to preserve Canadian unity. I mention these two facts because already, once on the floor of the house and several times in the corridors I have heard men attempt to interpret the Liberal victory in another manner, and to make it appear that notwithstanding the fact that the Prime Minister (Mr. Mackenzie King) laid down these two aims as the issue, yet the Liberal victory had another meaning. It is suggested, for example, that the people believed in past Liberal policies or that the people particularly believed in the Liberals as a party, or that the people had turned their backs on various kinds of reform, monetary and otherwise. I believe any attempt to interpret the victory of the Liberal party in any such manner is a tendency towards delusion of the worst kind. Therefore I say it must be refrained from, if we are going to face the problems which confront us in the way the Prime Minister has urged we should face them. Let us have the facts at all times, and let us face them in a realistic manner.

Canada is still in a great deal of confusion. I find that the leaders are confused. For instance it was reported in the press that the president of our Bank of Canada not very

long ago made a speech in which he urged the people to tighten their belts. At the same time we have been told by several agencies throughout the dominion that it is a dangerous thing for us to increase our production too far, in certain commodities. I refer particularly to wheat.

Having been urged to increase our production in respect of other commodities, such as pork, we have found, within a few months, that we are in danger of having an oversupply. Strange indeed for war time!

To tighten the belt is to indicate that we are to cease to use commodities. To tell us to cease to produce commodities is to tell us something diametrically opposed to the advice to tighten our belts. The result is that confusion worse confounded aboundeth throughout the land. To-day in Canada we have a surplus of grain and apparently a surplus of bacon. We have a surplus of apples, butter, tobacco and other commodities, and we have a great deal of unused capacity in our factories, mines, farms and forests. Yet we are told to tighten our belts. We have in Canada a wage scale which is a disgrace, and a condition which will stand as an everlasting condemnation of the generation which permitted that wage scale to develop in a land of abundance like this. Not only will the Liberals be condemned by future generations, but I say that every statesman of every brand who has had any control in this country since the turn of the present century will have like condemnation.

Yet we are told to tighten our belts. If we tighten our belts, how will industry sell! If industry cannot sell, how will it employ men? If industries cannot sell and cannot employ men, how can we possibly increase our production and thereby increase our real wealth? If we cannot increase our production and our real wealth, how can we pay our taxes? Further, how can we possibly build up a reserve of goods and goods producing power against a time when perhaps those who are now producing the wheat and other commodities needed by the world will be in such a position that they will no longer be able to produce so freely, and when consequently there may develop a tremendous demand upon our productive power to provide the very food and raiment which the soldiers will need in the conduct of the war?

These facts have to be faced by any group of intelligent men who are planning the policies which the country is going to follow to win the war. In the light of these considerations I ask how we can possibly get sense out of the admonition to tighten our belts. May I hasten to say I am not averse to saving, economizing and all that sort of thing; I was raised on that. Nevertheless we have gone into a different kind of age in which, apparently, something different from saving is demanded. Canada must make the maximum war effort; all hon. members agree on that. The only difference of opinion among us is as to how we shall bring about Canada's maximum war effort.

This country has great potentialities. She could be the determining factor in the war; and to the degree to which we manage or mismanage our country we may be saving or destroying the hopes of the British race, with all that that destruction implies. We have the resources; we have the industrial equipment; we have the railroads, and other means of transportation. At the present time we have man-power which to an astounding extent is unused. Undoubtedly our potentialities are great.

Everyone agrees that there is the gravest danger to the empire. I think there is no necessity to labour the importance of the British empire in the world. I am a firm believer in the British empire, the British commonwealth of nations, and I believe most hon. members hold similar views. I am a believer in the principle that nations have a mission to perform, and I do not believe that the British empire's mission has been achieved. I believe it still has things to do greater than any which it yet has done.

Regardless of whether or not defeat in this conflict would mean the destruction of the British empire, there is great significance to Canada, as Canada, in the conflict. As I see it, our nation has before it three pathways, any one of which she may choose to follow. She may choose to become more and more an integral part of the British empire, in which event she will become more and more British. Or she may elect to become independent and suffer a precarious existence, remembering for all generations the fate of that Holland, that Denmark and that Norway about which we heard so abundantly from our friends, the members of the Canadian Cooperative Commonwealth Federation, during the last four years, when those countries were referred to as the modern nations which had continued for a hundred years to be independent and neutral and had never had need of armaments. Or Canada may turn to the United States with the object of becoming an integral part of the great north American union under the leadership of the United States.

I am not going to comment upon the desirability or lack of desirability of any one of these three courses. However, I prefer the

first one, that of becoming more and more British. Not that I mean that we shall lose our sovereignty in any sense of the term, but rather that we shall continue giving loving adoration and spontaneous homage to Britain's king and queen and to the common ideals of the British people, ready to stand or fall with them. I have indicated the significance of this conflict to Canada.

How are we going to make our greatest contribution to the empire? I fancy that there has been no disagreement with me up to the present time, but I feel that probably there will not be as much agreement with what I am going to say from now on. Before I commence to give my message I should like to read a few lines from the remarks made the other day by the Prime Minister (Mr. Mackenzie King), lines which I am glad he uttered and which I am sure he uttered designedly. On page five of *Hansard* of May 16 I read these words:

> In parliament, particularly in most critical times like the present, everyone can make some contribution to the needs of the day, and indeed will be expected to do so fearlessly and to the best of his ability. To a great extent an opposition can help a government in shaping the policies which may be best for the administration of public affairs.

I read another excerpt as follows:

> We will not expect to be exempted from criticism. Indeed one of the great functions of an opposition is that it may help to safeguard the proceedings of a government and that by its constructive criticism may prevent what might otherwise be in the nature of hasty or ill-conceived action, or what some might feel to be a lack of sufficient action.

Encouraged by those words I am going to attempt to offer my solution. In a general way Canadians seem to be much nearer the solution which this group commenced to advocate four years and a half ago. I think they are much nearer that solution in their concepts to-day than they were. They have been forced nearer to it and I think Canadians will be well advised if they do not wait until they are shoved into it. And before I proceed to outline my proposals I should like to talk in a strain in which a good many people are talking just now. We are told that we are to have a prayer Sunday throughout the British empire on May 26, which is next Sunday. I do not know how many members of this house solemnly believe in prayer—I do. I do not know how many of them solemnly and devoutly believe in a God who directs this world—I do. I do not know how many believe implicitly in the Bible—I do. I crave the indulgence of the house for a few moments while I speak in a religious vein.

[Mr. Blackmore.]

If we are to engage in an empire-wide prayer for victory less than a week from to-day, I think it behooves us to put our minds in tune with religious concepts and thinking. We are being told in many places to-day that we must repent, but I am not so sure that there are many of us who know definitely just of what we should repent. I am going to suggest one or two things in our national life of which it probably behooves us to repent. I think everyone in this chamber has heard over and over again this statement which should sound familiar to Liberals particularly: "Usury once in control will wreck any nation." Let us turn our attention for a moment or two to the question of usury. I doubt if anyone in this house is unaware that the scriptures solemnly and expressly forbid usury and forbid interest.

Mr. REID: It is not against interest.

Mr. BLACKMORE: I should like to read just one passage from the scriptures. Having been browsing through the pages of the scriptures during the last few months I should like to read one passage from the several which I found. I do not know whether I am in order in reading a passage of scripture to the house; I have never tried to do it before, but I am going to venture it now at the risk of displeasure. Ezekiel, chapter 22, from verse 12, reads:

> 12. In thee have they taken gifts to shed blood; thou hast taken usury and increase, and thou hast greedily gained of thy neighbours by extortion, and hast forgotten me, saith the Lord God.
>
> 13. Behold, therefore I have smitten mine hand at thy dishonest gain which thou hast made, and at thy blood which hath been in the midst of thee.
>
> 14. Can thine heart endure, or can thine hands be strong, in the days that I shall deal with thee? I the Lord have spoken it, and will do it.

If such a passage of scripture was not designed to apply to such times as these, then my power to think logically must be most deficient. I repeat these words:

> Can thine heart endure, or can thine hands be strong, in the days that I shall deal with thee?

Some people say, "How can we get along without interest?" Since I came into this house in 1935, except for the members of the group with which I am associated and two or three members of the Liberal party, I have never heard one member rise in his place in this house and tell us how we can get along without interest. I have found very little patience manifested by members of this house when I have tried to show how we might get along without interest.

Mr. REID: I wonder whether the hon. member would answer one question.

Mr. BLACKMORE: I would much rather that the hon. member would raise his question after I have finished my speech.

Mr. REID: But I want to dispute the hon. member's statement that the Bible is against interest.

Mr. BLACKMORE: Will the hon. member dispute this passage—

Mr. REID: I am disputing that the Bible is against interest, as the hon. member puts it.

Mr. BLACKMORE: Will the hon. member dispute this passage I have just read? If he wants to discuss the Bible with me, I will retire to my room with him after my speech, and I think he will come out a repentant man.

Mr. REID: Let me tell the hon. member that I will take him up.

Mr. BLACKMORE: We are going to have an enjoyable time and a profitable one.

Mr. REID: Anyway, the hon. member will.

Mr. BLACKMORE: Yes, and I am sure that my hon. friend will, too.

Now, we are steeped in interest. We pay interest on every move we make with money. At the present time, no matter how much the country may need it, or for what purpose, it is impossible to get money into circulation without interest. What behaviour as a nation!

In another respect we are to be condemned. We have accumulated debts. Anyone who has read the first five books of the Old Testament will remember how solemnly and with what care the Creator commands against the accumulation of debts, especially beyond fifty years. We have gone on allowing debts to accumulate for hundreds of years, and now the total has become so great that it is crushing us so that we cannot even conduct a war successfully.

In the Bible the Lord continually condemns the people of Israel for their stiff-neckedness. I maintain that a good many of us have been altogether too stiff-necked in refusing to listen to any possibility of a change. We have allowed poverty to grow to such an extent that it is destroying the very foundations of our nation. It is destroying our children, and discouraging those who would bring children into the world. Verily in that matter "there is no health in us." Surely the time has come to repent and to find out how all this has come about.

What must we in Canada do in order to make this country successful in war? Besides moral rearmament—the thing I have been discussing, for we must rearm ourselves morally by repentance—we must see to it that we remove suffering from this land. We must make Canada a land to love, a land that men will rejoice to fight for. Certainly one hesitates to put into words what ought to be said regarding conditions in this country at the present time. We must give aged people something like a chance. Imagine a man who has spent seventy years building up this country, condemned to live on $20 a month, to pay his rent and light and water, any doctor bills he may have, and then live! Think of the meagre allowance we give our mothers! Consider the way in which we deal with relief recipients! Think of the way in which we deal with our returned men! How, under conditions like these, can we expect the morale of a country to be strong?

Again, we must check the trend to autocracy. The hon. member for Rosetown-Biggar (Mr. Coldwell) has commented on that matter. I believe that the defence of Canada regulations are simply a reflection of this tendency. It is one thing to say that we need stern regulations; it is another to prove that we need sterner regulations than England has. Why should we have section 21 when England has withdrawn that? Why should we have such sections as 27, 39, 39A, 62 and 63? Why should it be necessary in Canada to suspend the Habeas Corpus Act when Britain has not done so? Tell me who is the autocratic sovereign who has demanded of Canada that she should abolish the habeas corpus which we won hundreds of years ago? In those days our fathers wrenched that right from King John. Who is the modern King John against whom our generation should arise? He is not Hitler, or Mussolini, or Stalin, but his methods surprisingly resemble the methods of these three gentlemen. It is time that we revised these objectionable statutes. They are not at all in keeping with the general way of life of a democracy, and how can people who are aware that such laws are in force in this country, go forth with any kind of enthusiastic belief that they are fighting for democracy?

We must also rearm Canada physically. Some reference to that was made by the Prime Minister. In order to rearm physically, the first thing that we must do is to make sure that we have in our country a price structure which renders it possible for our producers to produce and live. I am going to read to hon. members some figures which will indicate what has happened to the western farmer since 1914. The Prime Minister reviewed not long ago some of the disadvantages under which we labour in comparison with the conditions at

the beginning of the last war. Here are some prices which the western farmer is required to pay, as reported from the Searle index:

Article	Price in 1914	Price in 1938
Cream separators (500 lbs).	$ 37.50	$ 53.50
Post maul 16 lbs..	.85	1.12
Barb wire 4 point, per roll..	2.30	4.05
1½-h.p. engine, each..	39.50	64.75
Wagon, complete..	100.50	164.25
Teaming harness, per set..	34.50	46.90
Wire nails, per 100 lbs. ..	3.20	5.00
Crow bars, each..	.75	1.85
Logging chain..	1.50	3.75
Oil lantern, each..	.70	1.20
Grindstone, each..	5.00	9.25
Sheepskin coat, each..	5.00	9.95
Wool socks, per doz. pair..	3.75	7.50
Underwear, Wolsey, per suit	3.75	7.50
Shirt, grey flannel.	.75	1.75
Work boots, per pair.	2.50	3.50
Gang plough..	89.50	147.25
Seed drill, Double D..	143.00	260.00
Mower.	89.50	147.25
Bob sleds, 2½ steel shoe.. ..	24.40	44.00
Taxes, per quarter section..	20.00	30.00

In the light of figures like these and many similar ones, I ask, how can men suppose the western farmer can produce, especially when he is getting lower prices for his products and is in doubt whether he will be able to sell his products at all? It is absolutely necessary for us at this time, if we are going to secure maximum production in this country, to see that there shall be such a price structure as will make maximum production possible. How this is to be done I am not going to take the time on this occasion to tell, except just to indicate this, that it would be impossible to accomplish it merely by legislation. This government last year set a seventy-cent-a-bushel price for wheat. It was going to do that by a subsidy or bonus. A subsidy or bonus must be used not only to ensure a price to the producer but to cut down the price to the consumer. People will ask, where is the money to come from? That is the problem which confronts us to-day.

May I ask once again the question which I was pleased to hear the hon. member for Rosetown-Biggar ask to-night. How do the members of this house suppose that the dictators succeeded in building up in seven years the colossal armaments which they have built up, starting from away below scratch in 1933? I am sorry the leader of the opposition (Mr. Hanson) has just left his seat, because I was going to ask him how it was that Canada was unable to afford any money for the construction of armaments all through the period from 1930 to 1935, while the dictators at the head of absolutely prostrate nations, ruined and bankrupt in every way, were able to build up such terrific armaments that they are to-day the dread of the world. Will some one tell me where those dictators got the money? They must have a way of getting it. I am not saying that their way was the right one, but it seems to me that they did have some way, which is different from the one we had.

If we are to have maximum production in this country we must also have maximum consumption. People are not talking at all about how to get the people of Canada to consume more; our authorities are rather off on a tangent, in the direction started by the governor of the Bank of Canada when he told us that we must consume less. I say, Mr. Speaker, that we must learn to consume more. How are we going to do it? That is another problem, but I think it would be a profitable occupation for an intelligent committee of this house to study it for several months. Certainly it must be done and I am sure it can be done, especially in a country such as ours, where we must increase consumption. I believe we might be wise to consider possibly the bonusing of Canadian-made goods. Out in Alberta, where we are struggling with a great variety of handicaps thrown around us, and determinedly and meticulously kept there, we have contrived to give a bonus on Alberta-made goods, and the results, according to figures we have, are simply astonishing even to us who expected much. If this parliament could contrive to bonus Canadian-made goods so that our people could get them more cheaply, we would overcome a great many of the difficulties which now harass us.

There is another matter which I think we should consider and which the bonusing of Canadian-made goods brings to mind. We are to-day labouring under the grievous disadvantage of a high adverse exchange rate against our dollar. We are buying vast quantities of war supplies from the United States and are paying that adverse exchange. Surely no Canadian believes that this is a sound state of affairs. Is there no way by which we can overcome it? In the first place, we should contrive to buy fewer goods from the United States and to buy more Canadian goods. I know the stock argument will be raised: If we do not buy their goods, how can they buy from us? But if they continue to manufacture armaments and we continue to need them as we have done during the past few months, we shall have no trouble in buying plenty of goods in the United States. But what we need to do is to refrain from buying such of their goods as we can get along without.

There is another point. Even though we have already taken measures to restrict the outflow of capital of Canada into the United

States, I believe that we are still allowing too much of our capital to be exported. We are buying too much life insurance from United States companies for example.

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

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, in rising for the first time to speak in this house I wish to express my regrets that the Rev. W. G. Brown is not sitting here beside me this evening, because, having known him, I feel sure that his voice would have been raised throughout this session in the interests of the people of Canada.

I find myself in the unique position of being the only woman member of this house, and I deeply regret it. It is a sad reflection upon us as a nation when, while over fifty per cent of our voters are women, we can have only one representative of our sex in this house. Mrs. Black and Miss Agnes Macphail have contributed greatly in the past in the work of this house and I very much regret that they are not sitting on these benches this evening. All through the ages we women unfortunately have been regarded more or less as the property of men. Because of that position we have been expected to be but the shadows of men, to reflect their ideas and to echo their sentiments. It is only within the last few years that we have become persons in our own right. And we have at last the courage to search our own hearts and to find there that we have ideas and ideals peculiar to ourselves. To fail to give expression to these ideas is to deny our womanhood.

To-day the one great question of war overshadows everything else; until now it has received more attention in this house than anything else. From a woman's point of view I should like to say this, that war does not always mean the same things to women as it does to men. To me war means broken homes, widowhood, fatherless children, destruction, agony and death. I would ask you, Mr. Speaker, what have women to do with death? Our purpose in the world is to give life and to protect it. At this time, particularly in this crisis, I feel that the women of this nation must keep a sane and level outlook, and they must remember that in a time of crisis their great duty is to guard and to protect life.

Through these last years two great calamities have reduced the people of the west, some of whom I have the honour to represent in this house, to the point of destitution. The economic depression and drought have brought to our people in the west insecurity, fear of the future, heartbreak and hopelessness. Possibly it has often been said in this house that the west has not received from this government the attention and the consideration that it should have received. I wish to stress that most emphatically. The farmers, if they had received the consideration of this government in past years, if they had received a just and fair price for their products, would have been only too willing to struggle on to be self-supporting. The farmers of the west are wonderful people; they have virility and vitality in the highest degree, yet to-day you find them despondent and hopeless, fearing to look into the future, because they dread the years ahead. This government, having in the past failed to solve the great problem of the west, failed to give our farmers a price which would enable them to be self-supporting, and failed to find employment for our youth, threw out relief as a sop to desperate people. I am not an advocate of relief; there has never been anything more demoralizing to our people in the west than relief, there has never been anything more calculated to destroy their morale, take away their self-respect and sap their energy than this relief. Yet to-day and in the months ahead, if the basic problem of agriculture is not tackled by this house so that these farmers of the west can be once again self-supporting, then relief must be continued and it must be increased if the people of the west are to survive. I feel myself very much qualified to speak upon this question of relief, because for three years I have lived upon relief. I had to feed a family of five—listen carefully—upon $11.25 a month.

An hon. MEMBER: A dirty shame!

Mrs. NIELSEN: And I have often wished I had the wisdom and the ability of the Minister of Finance (Mr. Ralston) to help me balance my budget. Indeed, it is a task. If this government in the days ahead cuts down the standard of living of the people in the west by reducing their relief, it condemns them to slow and agonizing death, both physical and mental. It has already been agreed by those who are best qualified to study these problems that even before the coming of drought and depression the farmers of the west were not having a square deal or getting a decent living. Professor Britnell of Saskatchewan university has stated in one of his books that the people of the west have through these last years suffered unduly. I should like to quote from his book as follows:

> Direct relief became necessary if starvation was to be averted, though the standard of living was often actually lower for the very large marginal group that managed to avoid relief, or for those who were just to be pushed

on to relief, than for the actual relief recipients, though relief schedules have not been extravagant.

Indeed I, who have had to live upon relief, know that they were in no way extravagant. I would say to you, my friends—and I call you my friends because I cannot believe that hon. members on the government benches are men of stone; you are men of flesh and blood; you are made of the same texture as these people who are struggling in the west to earn for themselves a livelihood, to provide a home for their children; you are made of the same stuff as they—I cannot believe that you have not in your hearts that human compassion for your fellow men in times of such distress. There is another kind of hunger. Robert Service, the poet of the north, calls it "hunger which is not of the belly kind." I speak of that need which the people of the west have for culture which is their natural right as citizens of this great country. They are living to-day under conditions which make it impossible for them to avail themselves of those things which they should have. Again I quote from Professor Britnell. He said:

> There's no music, no books, no contact with cultured, leisured world. One can't even window-shop. Dirty, tawdry little village stores —and even they are miles away. There is only an aching, bewildered body whose strength wanes and waxes and wanes again. Above all, beyond all, there is the loneliness. It is an everpresent, all-pervading thing that both agonizes and numbs the soul. Or have farm women souls? Gorgeous sunrises flare and flame, painting the eastern sky with their glow, reflected in the west. We glance at it numbly as we stumble out. It means the beginning of —another day.

I will not tell you any more about these things. Possibly you have heard them expressed many, many times. This is not hunger for food but hunger of the mind. I wish I could take you to our little schools. In the children of the west we have a vast reservoir of genius which as a nation we should be training and developing for the benefit of the world in the future. What as a nation are we doing for those children? To-day some of our little schools are even closed because we cannot afford to put teachers in them. Among those children of the west we may have girls and boys with the fingers of surgeons or the minds of scientists, who, if they were trained, might give of their knowledge to the benefit of the whole world, and who might help make the name of Canada famous among the nations of the world. To-day, however, if their mothers and fathers are unable to buy their textbooks and send them to high schools, those girls and boys go to work scrubbing floors and picking stones in the fields. Frustration is everywhere.

I want to bring these things to you, my friends, and once again advisedly I call you my friends because you cannot be insensible; you cannot be unaware of the need for us as a nation to guard our youth and all the virility that is theirs. There is also another matter in the west which affects us as a nation. Owing to our lower standards of living during these last few years another problem is coming to the front; that is, the question of the health of our people. In the west we have isolated districts in some of which the people may have to go twenty or thirty miles to get a doctor. In my travels through that north country I have come upon instances which may appear to you almost unbelievable. I have known cases where a father or mother, with a desperately sick child at home, has had to travel twenty miles or more in sub-zero weather, not to fetch a doctor but like a whipped dog to beg of a relief officer in an endeavour to obtain a permit to get a doctor to look after that child. These things are a reflection upon us as a nation. I have said many times that a chain is only as strong as its weakest link, and as a nation we are only as great and as fine as the most humble of our people. When some of our people are living under such conditions as I have mentioned, then we definitely are not a great nation.

Since I have been in this city I have admired the great memorial to the soldiers who gave their lives in the last war. From an artistic point of view it is a wonderful monument, which has impressed me very greatly. It is a monument of stone, a monument to commemorate death and the dead. In Saskatchewan we have living monuments to the last war. There I have seen returned men who, like driftwood cast up after the whirlwind and the whirlpool of the last war subsided, are now left on those desolate homesteads, uncared for and unnoticed. Since I have been in this city I have thought that I should like to bring some of those men here, in all their rags and tatters, and stand them around your great monument, to form a living testimony to the ingratitude of Canada.

This is undoubtedly a time of great crisis. Already the people of the west have realized that during this period they are going to be asked to make sacrifices, and they are beginning to ask themselves how they, who are so near the edge of destitution, can make yet another sacrifice. In their minds they are beginning to doubt many things; suspicions are beginning to arise. They believe, and I

think rightly, that the last government failed to give them economic freedom; to-day they are beginning to realize that they no longer have civil liberties or freedom, and, as I say, this is raising great doubt in their minds. We have been told that the defence of Canada regulations are to be enforced to defend the Canadian people from subversive elements. The people of the west are beginning to realize that there is one subversive element in Canada for which those regulations do not provide. They know it to be the greatest of all subversive influences. It is poverty, and it has been at work among them for many years. Realizing these things the people of the west are beginning to question many things in their own minds.

In times of crisis, Mr. Speaker, as at all times, life must go on. Life is greater than death; it prevails and goes on into the future. Every day children are born. Every day people must eat. Every spring the seed must be sown, and every fall the harvest must be gathered in. In a time of crisis such as this we are sometimes prone to forget that life continues and must continue, else there is nothing in the future toward which we may look. I would say most emphatically that the time to consider the life of the people of Canada is not when the war is finished but now. Life must be protected now in this country. Although death stalks throughout the world and knocks at the door of every nation, life goes on. In this time of crisis I feel that as a woman, and particularly as the only woman in this house, even though mine is the only voice raised—and I sincerely hope it will not be—yet I must raise it in defence of and for the protection of life, the life of the Canadian people, because the people of Canada must have life and they must have it more abundantly.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I do not wish to detain the house for more than ten or fifteen minutes, but I believe the people of Ontario, together with the people of all Canada, believe that we have reached the darkest hour in the history of this empire, and we want a real war government. After all is said and done, leaving party politics out of it, we know in our hearts that in this war Canada has not done her duty to the mother country. Constantly for the past five years I have been drawing the attention of the Canadian people to the situation of the British empire and Canada, urging rearmament and cooperation and coordination with Britain.

On March 21 of last year, on a motion to go into supply, I read a list of commitments made by the government of Great Britain to several countries in Europe; I pointed out that automatically those commitments meant that within a few months there would be a war, and that when Britain is at war, Canada is at war, and I asked, Whither Canada?

After Munich what was done? What did Canada do? I say Canada did nothing; it refused to face the situation or take the question of defence seriously. The government of the day had supported the pacifist and peace societies' movements, both in and out of the house. I say that in the country there have been three agencies which have been responsible for the people of Canada being, prior to the war, the worst informed of any of the overseas dominions in regard to defence and foreign affairs. One of those agencies has been the government of the day. It was responsible for declaring what the war policy would be and refused to give the people the real facts. Another agency was the press. While there have been some exceptions, I must say that in my opinion the press did not do its duty in the past four years in educating the public or in bringing to the attention of our people questions of defence. Owing to a lack of leadership we have not taken the question of defence seriously. From a few weeks before the beginning of the war the press has done its work well and patriotically. Another agency has been the radio. I say that down to the hour of the declaration of war the radio supported the pacifists and led our people to believe that there would not be a war.

What have we in the speech from the throne? It is a meaningless thing. It has left undone those things which it ought to have done, and it is significant not because of what is in it but because of what is left out of it. What is the government's war policy to-day on this secret, limited liability war? Nobody knows. How about man-power? I say the party in power has sidestepped the whole question of man-power; both before and after Munich it has refused to face the facts. It has not taken the people of Canada into its confidence. We hear that to-day Germany has from 180 to 220 divisions, most of which are on the western front. No line of fortifications can last forever. A time will come, in fact I believe it has now come, when the allies will be waging an offensive because attack is the best defence. That was done in the days of Hannibal. No fortifications can last forever, and in that connection we are reminded of the operations of the Japanese against the Chinese at Port Arthur.

In spite of all this the government of the day has done little or nothing to support voluntary recruiting or to establish man-power, which is the most important thing in

the war. Under methods of voluntary recruiting this country could have had 600,000 men in uniform by this time. What has been the policy of the government with respect to recruiting? So far as they are concerned this would seem to be a limited liability war. They have been conducting a secret war, and even from the Prime Minister (Mr. Mackenzie King) one cannot obtain any information. In season and out of season for five years in urging rearmament, I have tried to find out what has been done, and have tried to have papers produced.

What has been the government's policy with regard to recruiting? It has been one of on again, off again, on again, until to-day it is as hard to get into the army as it is to get into the Rideau club, and I believe there is a long waiting list at that club. Many men gave up their jobs and went to the recruiting offices to enlist, only to find that one division is overseas, that another will not be ready until next fall, and that they are not wanted.

As I said on March 21 last it takes a year and a half or two years to train a man and to get the necessary equipment and modern mechanized power. Two years ago in the House of Commons I suggested that the government should have a survey made of large and small industrial plants, to be ready for war and rearmament, so that if the occasion arose we would have at hand a proper survey of those plants to start work. Did the government adopt my suggestion? I asked not one but five or six ministers on the front benches if they would tell us anything about that report. We know now that right down to the hour of the declaration of war no survey was made. At the last, when I kept urging the government for action of that kind, it did send out some letters, but down to the hour of war nothing had been done for a survey of man-power, economic power, industrial power or food power.

I had hoped that in the speech from the throne something would have been said about the glorious efforts of the soldiers of France and about the mother country which has protected our shores. I should have thought there would be some reference in the speech from the throne to the Christian church and to Christian religion generally, because we know that Christianity is part of the law of England, and has been from time immemorial. I thought there would have been some expression of appreciation for the efforts of France, the nation towards which the eyes of the whole civilized world are now turned. In that land which is suffering terrible privation, trial and suffering, and which for the second time in less than a generation has been the scene of vicious fighting, we have an example of the most sublime patriotism.

I had thought, too, that some tribute would have been paid to the mother country for what it has done for the people of Canada. Had it not been for Great Britain every town in Canada on the American seaboard would be blacked out, because all the liberty and freedom we have in this dominion we owe to the mother country. I say some tribute should have been paid to Mr. Chamberlain and to his successor. One of the most outstanding events in all history has been the inspiring leadership which in the past two years has been given by Mr. Chamberlain before and after Munich.

We must remember the views which have been expressed by pacifists in and out of the house. Canada has been one of the prime movers in pacifism, and urged Britain to scrap the finest army, navy and air force the world had ever seen. We cannot get that back in a day or a generation. That is what caused the war. We did nothing while Germany rearmed on loans from the allies.

Another cause of the war was the lack of action during the Ethiopian crisis in 1937. At that time I brought before the house an empire training scheme. There were many young men in the city from which I come who were anxious to give service at that time, but who had to go overseas in cattle boats at their own expense and who have won decorations. They went to England and enlisted in the Royal Air Force because they could not enlist in Canada.

If we had that air force to-day, the force which Canada rejected—and I have the papers to show that I brought this matter before the house for at least three years—we would not have had a war at all. During the first great war 18,000 air mechanics and pilots were trained in Toronto. The plants which operated at that time could have begun operations again two or three years ago. Had they been in operation they would have been able to give the necessary equipment to the mother country.

The record of the British government in eight months has been a glorious one, particularly so when compared with that of the government of Canada. I can say truthfully that I am heartily ashamed of what has been done in Canada in connection with the present war. Two years ago I asked the Minister of Agriculture (Mr. Gardiner) if, in view of the mistakes made during the first great war and the submarine menace, he would establish food reservoirs in England. Did he do that? No, he did not. When we see what Britain has done we can thank God for four things: First, geography; second, the glorious Royal

Navy; third, the glorious French army, which has protected civilization from the 200 German divisions, and, fourth, the Royal Air Force. I can say that the action of the British government, that of the Royal Navy in its campaign at sea, that of the Royal Air Force, which has taken command of the air by acts of unparalleled heroism, the close economic alliance made immediately with France and the mobilization of man-power, are activities which have been carried out in a magnificent fashion.

The government in England has had to face the gigantic and difficult problem of defence of the civil population. It has had to consider the organization of supply groups, the suppression of profiteering and a process of equitable distribution of food stuffs. Is it any wonder the whole world has been thrilled by the efforts of the mother country and has pointed to it with pride?

I put forward the constructive idea that Canada should find a way of making possible the impossible. In other words, where there are no barracks or implements of war we should do as we did before, namely, take other public buildings. If men have no uniforms, let them train without uniforms. If they have no rifles, machine guns or other modern implements of warfare, then they should do as has been done in France and Great Britain, namely, use dummies until the real weapons can be obtained. Instead of allowing these men to drift around with nothing to do, they should be given the proper training immediately. Toronto is the main recruiting district, and the other day I was given to understand that 169 men in the Royal Air Force were to be ready as pilots next fall. Some of these men are at the Eglinton barracks and I have seen a few of them working on a city dump on Lawrence avenue. I do not know what they were doing there, they were probably moving refuse stuff from the Eglinton barracks to the dump, but they are getting tired of doing work like this, because many have left good jobs. The same thing applies to the infantry units in Toronto. The men want to get overseas and not have inaction. This is not the way to fight Hitler. The government will have to wake up. We shall never beat Hitler and win this war if we leave it to Canada. The war would be lost before we got into it at the rate we are going now. It will take one or two years before Canada is ready to give any help to the mother country in trained men or aircraft.

We do not know whether this country is going to be invaded. I do not know and you do not know. None of us knows to whom this country will belong at the end of the year. We should bestir ourselves. We have not done our part. We have not done what we should have done. Because of the secret policy of the government, because of the limited liability war the government have been waging, the people of Canada have not taken defence seriously. The people of Canada have been kept in the dark with such ideas as collective security, pacifism, the league, the Monroe doctrine, and pan-Americanism. The Prime Minister visited Hitler and the day before the war sent back a cable to him: Use your influence for peace; do your duty to secure peace. We have been relying on Washington for our defence. Did not the Prime Minister tell the House of Commons that there would never be an expeditionary force and that the danger to Canada was minor in degree and secondary in origin?

The political executive of Canada have fallen down badly since the war started and the people now have no confidence in them. The people of Canada have not the confidence they should have. They do not believe that Canada has done all she ought to have done. I believe a mistake was made in the past year in not giving the people of Canada the full facts on defence and foreign affairs. Since the last great war we have not taken the matter of a defence policy at all seriously. There will be other opportunities to make remarks, but I did not want this opportunity to pass without something being said by a representative of the main recruiting district at Toronto.

There should be a shake-up in No. 2 military district. Men from all over Canada have been brought in there to command that district who are not doing their duty. They do not understand the needs of Toronto. Is it any wonder that voluntary recruiting has fallen down? There should be Toronto men at the head of that district, as was the case in the past. I received a letter from the Minister of National Defence (Mr. Rogers) on October 14 to the effect that all members should take part in this effort. We have never been invited by the heads of that military district to attend a single public parade to see this federal work in Toronto. The members of parliament from the Toronto district have been ignored, probably because they are Conservatives. I do not want any invitations myself or urge this because my stand on defence and foreign affairs in this house during the past five years has been a non-party stand. I have urged that we should cooperate and coordinate with the British empire.

The minister has never visited or inspected No. 2 district. He can visit England, which was probably necessary, but under the terms

of the Militia Act and Army Act he should visit the military districts rather than have some spokesman speak for him.

In conclusion, let me say that the way this government has carried on voluntary recruiting has been a mistake. First, they exempted large bodies of people, and then they exempted other bodies of people in the provinces. By their inaction and policy they are going to make conscription a live issue in this country before many more months have passed because Canada may be invaded. They will have to face the country on the question of man-power and munitions, on the question of food and on the way this war has been conducted. So far as I am concerned there will have to be a redress of grievances all along the line before supply is voted.

Motion (Mr. Lapointe, Lotbinière) agreed to.

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

That the said address be engrossed and presented to His Excellency the Administrator by such members of this house as are of the honourable the privy council.

Motion agreed to.

WAR APPROPRIATION BILL

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

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

That sums not exceeding $700,000,000 be granted to his majesty towards defraying any expenses that may be incurred by or under the authority of the governor in council during the year ending 31st March, 1941, for—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measures deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

With provision also empowering the governor in council to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money, not exceeding in the whole the sum of $700,000,000, as may be required for the purpose of defraying the aforesaid expenses, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

He said: I am asking that the amount of $700,000,000 be inserted in this motion which appears on page 18 of the routine proceedings. I desire to say also that His Excellency the Administrator, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

[Mr. Church.]

Motion agreed to.

LOAN OF $750,000,000

TO MEET LOANS OR OBLIGATIONS, TO PURCHASE UNMATURED SECURITIES, AND FOR PUBLIC WORKS AND GENERAL PURPOSES

Hon. J. L. RALSTON (Minister of Finance) moved that the house go into committee at the next sitting 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.

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

Mr. HANSON (York-Sunbury): I want it to be understood that the accepting of this resolution is to be subject to the reservations stated by the Prime Minister in his speech.

Mr. MACKENZIE KING: Certainly.

Mr. POULIOT: Before it is adopted, I am under the impression that this motion has been mentioned, and we are on the same motion for the second time.

Mr. STIRLING: The first one is on page 18. This is on page 17.

Motion agreed to.

FARMERS' CREDITORS

AMENDMENT OF ARRANGEMENT ACT AS TO PROPOSALS FOR COMPOSITION, ETC., IN MANITOBA

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

That it is expedient to introduce a measure to amend The Farmers' Creditors Arrangement Act, 1934, to provide inter alia that proposals for a composition, extension of time or scheme of arrangement may be made under the said act by farmers in Manitoba.

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

Motion agreed to.

TRANS-CANADA AIR LINES

EXTENSION FOR ONE YEAR OF INITIAL PERIOD DESCRIBED IN ACT

Right Hon. W. L. MACKENZIE KING (Prime Minister, for the Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to amend the Trans-Canada Air Lines Act, 1937, to extend for one year the initial period described in the said act.

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

Motion agreed to.

CANADA AND THE WAR

MESSAGE TO BRITISH PRIME MINISTER RENEWING ASSURANCES OF FULL COOPERATION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, this afternoon I made mention of a telegram which I sent this morning to the right hon. the Prime Minister of Great Britain, and I thought it might be desirable to have it on the records of the house to-day. With the permission of hon. members I will read it:

Ottawa, May 20, 1940.

Along with my fellow Canadians I have heard your speech to the people of the commonwealth with feelings deeply stirred, and with profound admiration and pride.

This afternoon our new parliament will begin its consideration of Canada's war organization. The members of the House of Commons which assembled on Thursday last, are fully conscious of the grave responsibilities involved in the mandate which they have received from the Canadian people. I am making a statement before our House of Commons renewing the government's pledge to put forth its utmost effort in the organization of the resources and power of this country for the successful prosecution of the war. In this effort I know that the government will have the wholehearted support of the parliament and the people of Canada.

In these grave and clouded hours I want to renew to you, to the government and people of the United Kingdom the assurances that have already been given to you and to your predecessor in office of the full cooperation of our dominion in the struggle against the forces of evil which have been unleashed in the world. We shall muster the utmost strength of this country so that we may make our full contribution to the triumph of right which must and will prevail.

COMMONWEALTH AIR TRAINING

SUMMARY OF AGREEMENT BETWEEN THE UNITED KINGDOM AND GOVERNMENTS OF CANADA, AUSTRALIA AND NEW ZEALAND TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I table the summary of a memorandum of agreement between the governments of the United Kingdom, Canada, Australia and New Zealand relating to the training of pilots and aircraft crews in Canada and their subsequent service. I table this memorandum in both English and French. The memorandum was handed to the press, I learned, early in January. It is the summary of the agreement which was agreed to at the time. The agreement itself has some clauses in it which do not appear in this summary.

Mr. HANSON (York-Sunbury): The right hon. gentleman was going to give me personally a copy of the agreement. What I have is the summary.

Mr. MACKENZIE KING: It is a copy of this that I meant, but I shall be pleased to show my hon. friend a copy of the agreement.

On motion of Mr. Mackenzie King the house adjourned at 11.10 p.m.

Tuesday, May 21, 1940

The house met at three o'clock.

EUROPEAN WAR

STATEMENT AS TO RECENT DEVELOPMENTS ON WESTERN FRONT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before the house enters upon the business of this afternoon I feel I should acquaint hon. members with the situation as it is in Europe at the present time in so far as the government has information that may be regarded as official and wholly authentic.

The military situation in France has become more serious. The Germans, after breaking through the relatively lightly fortified line facing the Belgian border, were held on the south and east. They have, however, after a temporary slowing up, succeeded in making rapid headway toward the west and northwest, particularly down the valley of the Somme. Arras and Amiens are reported by the French authorities to have fallen. The enemy are striving to reach the channel ports and to cut off the Anglo-French forces in Belgium. The enemy have relied upon rapid advance by huge tanks and armoured cars working in close cooperation with diving bombers and followed by infantry.

It has not been easy for the allied forces to realign their forces and to devise new tactics to meet the unexpectedly rapid advance, but they are straining every effort. The British and French forces have done brave and effective work in attacking enemy bases and lines of communication. The morale of the French armies is unbroken, and the appointment of Marshal Petain and Marshal Weygand to the supreme direction has given new confidence. M. Reynaud, in his frank and courageous address to-day, declares, "These two great peoples, two great empires, cannot be defeated. France cannot die." This is the true voice of France. It is equally the voice of Britain and of the entire British commonwealth of nations.

The situation as it apparently exists at the front is changing from hour to hour, aye even from minute to minute. In this, probably one of the darkest hours in the history of our country and empire, we can, however, all take some consolation by reminding ourselves of the past. The Germans were at the gates of Amiens, and the British army separated from the French army, in March, 1918. The hour was grave indeed, yet no one thought of giving up the struggle. Then, thanks to the resiliency and buoyancy of the French character and temperament and the dogged determination and persistence of the British, the line was reformed, reestablished and held, and finally the victory was that of the allied powers.

That is all the information I am in a position to give the house at the moment.

Mr. HANSON (York-Sunbury): I desire to thank the Prime Minister. I hope he will continue this practice of letting the house and the country know the worst or the best.

INQUIRY AS TO STATEMENT BY DEFENCE MINISTER ON CANADA'S PARTICIPATION

Hon. GROTE STIRLING (Yale): May I rise on a question of order to ask the Minister of National Defence (Mr. Rogers) if it is his intention to make a statement on Canada's participation in the war, and if he will do so at the resolution stage of the war appropriation measure so that in subsequent stages of the discussion we may be the better informed?

Hon. NORMAN McL. ROGERS (Minister of National Defence): I may say to my hon. friend that it had been my intention to speak while the resolution standing in the name of my colleague the Minister of Finance was under discussion, and I shall be very glad indeed to do so.

[Mr. Mackenzie King.]

WAR APPROPRIATION BILL

PROCEDURE IN REFERENCE TO COMMITTEE OR COMMITTEES FOLLOWING SECOND READING

Hon. R. B. HANSON (Leader of the Opposition): If I am in order I should like to ask the Prime Minister (Mr. Mackenzie King) if he will be good enough to clarify what he had in mind yesterday when he was referring to the proposal which he then made that after a general debate on the resolution to provide the moneys required to support Canada's war effort the appropriation bill would be referred to a committee or committees of the house. If the Prime Minister will refer to page 49 of yesterday's *Hansard* he will see the passages to which I have reference. Perhaps in order to clarify my question I might take the time to read them:

> There should be a general debate on the resolution. We can then refer the appropriation bill to a committee or committees of the House of Commons in order that there may be disclosed to the members of those committees information which would not probably be in the public interest to place on the pages of *Hansard* or to broadcast in debate to the House of Commons.

Further on he made this observation:

> I should like to emphasize that the setting up of these committees will not preclude in any way any member from debating any subject to which he may desire to call the attention of the house and the country, and I give my assurance to hon. members that the constitution of such committees will not be used as a pretext for concealing any information which it is in the public interest to disclose.

I have studied those two statements very carefully and they appear to me to be inconsistent. Reading the first statement by itself without reference to the second it would appear that the intention is to refer the appropriation bill to a select committee of the house, on which we shall be represented, and that there will then be disclosed information which the government may declare that it is not in the public interest to place on *Hansard* or debate in the house. That of course, if agreed to, and if we participate, would tie our hands and preclude us forever from using information so disclosed, whether or not we agreed with respect to the principle of public interest. On the other hand the second statement emphasizes the view that the setting up of a special committee or committees will not in any way preclude any hon. member, including I assume any member of the committee or committees, from debating any subject to which he may desire to call the attention of the house and the country.

If the information, or some of the information, given to this committee, is of such a character that it would not be in the public

interest to disclose it, how is it possible that any hon. member can, if he so desires, use in debate the information so disclosed? The two suggestions seem to be incompatible and inconsistent, and before we are able to acquiesce and agree to act or cooperate I think the Prime Minister should clarify the situation. I invite him to do so; if he does not, we shall be obliged to review the situation further before reaching a decision one way or the other.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say to my hon. friend the leader of the opposition (Mr. Hanson) that I am obliged to him for bringing immediately to my attention any matter concerning which there may be the slightest doubt in his mind as to the intention of the government. With respect to the appropriation bill, which is the one that relates to the war expenditure, the procedure is in the first instance the presentation of a resolution; the bill being a money bill has to be preceded by a resolution which is approved by this house. The resolution is debatable in much the same manner as the bill itself. The resolution with the permission of the house was introduced yesterday and is now on the order paper. On the motion to go into committee on the resolution, general debate will take place. In the debate hon. members are free to make whatever representations they may wish with respect to its subject matter. If the resolution is adopted it will then be referred to the committee of the whole, and while in committee hon. members will be free to question the government on matters respecting Canada's war effort on which they may wish to have information.

Some questions may be asked to which it would not be possible, and others to which it would be unwise to attempt to make an immediate reply on the floor of this house. Whether or not the government would be justified in the nature of the reply it might make will of course be apparent from the nature of the reply itself.

When the committee stage is concluded and the resolution is referred back to Mr. Speaker and is finally passed a bill will then be introduced founded on the resolution. The bill will go through first and second readings, and after the second reading will, if the procedure proposed is followed, be referred to a special committee. The committee thought of is a committee which will be composed of hon. members from both sides of the house. It will have the right and the power to call for the production of papers and documents and to ask members of the public service, including the heads of all three branches of the Department of National Defence, to appear before them. With respect to the appropriations that are being considered, such questions may be asked direct of the responsible heads of the defence services as hon. members may deem advisable. Obviously some questions will be asked calling for information which it might not be in the public interest or more particularly in the interest of the allied powers to have made public on the floor of this house or in any other way. Such information might, however, be imparted in confidence to members of a committee where it could not be given publicly. In saying this I hope my hon. friend and hon. members of the house will not think that the government would be trying in any way to withhold information which hon. members might wish to have and to which they are rightly entitled. Such information as it would be necessary to impart in confidence would be in the nature of military secrets and information that it would not be advisable to have given in a manner which might result in its reaching and assisting the enemy.

The government has left open for consideration the question whether it would be advisable to have one committee dealing with defence matters generally or committees to deal separately with the different branches of the service; for example, one committee to deal with matters relating to the army and another with the navy, and yet another with the air force.

I think I mentioned yesterday that it would be advisable that great care should be taken in the selection of the personnel of the committee or committees to which I refer. By that I mean that members of the different parties would be asked to select those of their number in whom they had the greatest confidence, having regard to the extreme importance of the matters which would be disclosed to members of the committee. That is not a reflection upon any hon. member of the house; rather it is a caution which it is important should be expressed by the government, which of course becomes responsible for all information that may be disclosed. I would say, for example, that any hon. member who had been a minister of the crown would naturally be first choice. A next selection might be from among members who have had wide parliamentary experience or special knowledge of the branch of the service to which the committee would be related, the purpose being to have on each committee as much experience and wisdom as possible in safeguarding matters of great public importance whether such experience and wisdom were gained from long association with

public affairs inside parliament or in other ways from outside, on the part of those who may be duly elected to parliament.

I do not know whether I have answered my hon. friend's question in full. My hon. friend did raise a question about members being free subsequently to bring up any subject for discussion. The thought was that many of the questions which might be mentioned in the committee of the whole on the resolution would be of such a character that hon. members would have to be informed at once, "This is a confidential matter which cannot be disclosed on the floor of the house." It would be expected that material presented in that light would be further discussed in committee with members of the staff of the Department of National Defence and would receive the confidence that should be given following such a statement. It is not the desire in any way to prevent hon. members from knowing all that can possibly be known; it is simply a desire to follow the practice which has been followed for many years at Westminster, of taking the house as fully as possible into the confidence of the government in connection with confidential matters, but doing so in a manner which will protect the public interest. If I have not answered my hon. friend with sufficient clarity, and he wishes to speak to the matter further, perhaps he will do so. I may add that I shall, as mentioned yesterday, be only too happy to confer with my hon. friend and with the leaders of other groups in the house concerning the proposal before we move to have the appropriation bill referred to any committee.

Mr. HANSON (York-Sunbury): With that understanding I am content.

SUPPLY

APPOINTMENT OF COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): According to the rules of the house the first business to be taken up immediately after the motion regarding the address in reply to the speech from the throne has been agreed to is the constitution of the committees of supply and ways and means. Hon. members will find that standing order 57, which relates to that subject, is as follows:

The house will appoint the committees of supply and ways and means at the commencement of every session, so soon as an address has been agreed to, in answer to his excellency's speech.

These are the committees of the whole house. The committee of supply controls the public expenditure and the committee of ways and means provides the public income raised by means of taxation. In accordance with the standing order I move:

That this house will, at its next sitting, resolve itself into a committee to consider of a supply to be granted to his majesty.

Hon. R. B. HANSON (Leader of the Opposition): I have no objection at all to this procedure, but I should like to point out to the Prime Minister that as yet we have not received the estimates.

Mr. MACKENZIE KING: No; the estimates cannot be before the committee of supply until the committee itself has been constituted, and at the moment I am simply constituting the committee. This is a formal routine procedure which is necessary at the beginning of the session. The estimates will be presented in due course. My hon. friend the Minister of Finance (Mr. Ralston) will be able to inform the house, possibly tomorrow, when he expects to have the estimates brought down.

With regard to war expenditures I may repeat to my hon. friend the leader of the opposition (Mr. Hanson) that it is of course intended to follow the procedure which has been followed in previous parliaments at a time of war. Those expenditures will be dealt with in the appropriation bill and will not form part of the estimates.

Mr. HANSON (York-Sunbury): I thank the right hon. gentleman for that statement. I am not very familiar with this procedure.

Motion agreed to.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

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

That this house will, at its next sitting, resolve itself into a committee to consider of the ways and means for raising the supply to be granted to his majesty.

Motion agreed to.

THE DEPUTY SPEAKER

ELECTION OF MR. THOMAS VIEN, MEMBER FOR OUTREMONT

Right Hon. W. L. MACKENZE KING (Prime Minister): Now may I draw the attention of hon. members to standing order 56, which reads:

(1) A chairman of committees of the house, who shall also be deputy speaker of the house, shall be elected at the commencement of every parliament, as soon as an address has been agreed on in answer to his excellency's speech; and the member so elected shall, if in his place

in the house, take the chair of all committees of the whole, including the committees of supply and ways and means, in accordance with the rules and usages which regulate the duties of a similar officer, generally designated the chairman of the committees of ways and means, in the House of Commons of the United Kingdom of Great Britain and Northern Ireland.

(2) The member elected to serve as deputy speaker and chairman of committees shall be required to possess the full and practical knowledge of the language which is not that of the Speaker for the time being.

(3) The member so elected deputy speaker and chairman of committees shall continue to act in that capacity until the end of the parliament for which he is elected. . . .

From this hon. members will see how important is the position of deputy speaker, or chairman of committees of the house. It is a very honourable position, requiring attainments and qualities on the part of him who may occupy the post very similar to those required to be possessed by the Speaker of the House of Commons. Indeed, the deputy speaker, as hon. members will have noted from the standing order, takes the chair at many times during the course of a session and may be called upon to substitute for the Speaker whenever the Speaker may wish to have someone take his place. It is obviously desirable that in selecting the one to fill this important office the house should make the best possible choice. The name I am about to propose is that of a gentleman whose experience in parliamentary affairs has been considerable. It is that of a gentleman whose known ability to fill any position of the kind is so familiar to hon. members who have been with him in this house in former years that I have not the least doubt that his nomination will meet with ready acceptance on the part of all.

The hon. member to whom I allude is Lieutenant-Colonel Thomas Vien, the hon. member for Outremont.

Lieutenant-Colonel Vien has had a long association with parliament. If I recollect correctly, he was first elected to the House of Commons in 1917. He dropped out of parliament for a while, during six years of which time he held the position of deputy chief commissioner of the board of railway commissioners. In his position on that board he was afforded wide experience in dealing with questions which required a judicial temperament and impartial decision. He resumed the practice of law for a short time before being again returned to this House of Commons. Lieutenant-Colonel Vien has been a member of the Commons for, in all, about thirteen years. In that period of time he frequently was asked to preside as chairman of committees and in the absence of His Honour the Speaker and the deputy speaker to occupy the Speaker's chair. As a presiding officer, in a temporary capacity and as chairman of standing committees of the house, he earned a high reputation for fairness and a judicial demeanour. We all know in what measure he possesses those qualities of courtesy which are a traditional characteristic of gentlemen of his race. His facility in both of the official languages of the house is a most valuable personal and public asset.

I mention these qualities in order that hon. members on all sides of the house may know in advance why I believe that, if chosen as Deputy Speaker, not only will Mr. Vien do great credit to the position and honour to himself, but as I believe you, sir, as Speaker are doing at the present time, will reflect honour upon the House of Commons itself.

I move, therefore:

That Thomas Vien, Esquire, member for the electoral district of Outremont, be appointed chairman of committees of the whole house.

Motion agreed to.

BUSINESS OF THE HOUSE

PRECEDENCE FOR GOVERNMENT BUSINESS ON AND AFTER WEDNESDAY, MAY 22

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

That on and after Wednesday the 22nd May, 1940, to the end of the present session, government notices of motions and government orders shall have precedence at every sitting over all other business except introduction of bills, questions by members and notices of motions for the production of papers.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I do not rise to oppose the motion, but in view of the fact that this is a war session I believe all parties in the house should act as one. In other words it should be our sole purpose to win the war; that should be our main and only business. While there are many domestic questions, in my view they should wait until the war has been won. I do not intend to oppose the motion, but it is my intention to assert the rights of a free parliament and a private member. I do that because under our constitution the private member is the connecting link between the government of the day and the electorate, and when he ceases to function, parliamentary government is at an end.

I hope the motion before us, if adopted, will not prevent criticism. I am not referring to criticism offered merely for the sake of criticizing. All hon. members want to see the government get on with its war work, but

I trust that constructive criticism, or that which is based upon fact, will not be prevented.

Just a year ago we enjoyed the visit of the king and queen, representatives of monarchy. The visit showed the tremendous popularity of the monarchy and the decay and decline of the House of Commons because of the usurpation of the rights and functions of parliament by the executive. In my opinion we should assert the right to free parliaments, free assembly, the freedom of the press and freedom of speech. These conditions should continue, so long as they do not interfere with the prosecution of the war.

We need not be ashamed of the record of private members in the House of Commons. In the last twenty years, while I have been a member of the house, the initiative for forward action has come in a large degree from private members. They have taken the initiative with respect to our national coal supply, rearmament, supporting the war and Great Britain. The war has come so close to us that no doubt the government wants to get along with its programme, and I want, as does the country, action. On the other hand I do not want parliament to become a paradise of inaction, coma and inertia.

The first order under "Notices of Motions" stands in my name, and relates to the advisability of adopting measures for the better protection of soldiers serving in the expeditionary force, with particular reference to the establishment of a system of life insurance for all soldiers. This is not a long motion, and its discussion would not take more than ten minutes. We have insurance on bonds, securities and stocks; why not have it on the men who are overseas fighting our battles for us? The United States had a similar insurance scheme for all its soldiers at the time of the last great war. So had the city of Toronto.

It will be understood of course that I am not now discussing the resolution. Paragraph (b) deals with a transportation allowance for soldiers in Canada. We know the government pays for automobiles for some of its military district officers, and I believe our soldiers are entitled to the consideration I propose. Paragraph (c) of the resolution has to do with the guarding of public property. The last parliament placed responsibility on the municipalities, and the suggestion is that it should be that of the federal authorities.

While I am not opposing the motion I hope that in passing it we will not be turning the House of Commons, this free parliament, into a body of yes-men and nodders. We ought to use great care, because it is yes-men and nodders who caused this war and the surrender to tyranny of Germany and Italy. We must be careful not to interfere with the rights and privileges of members of parliament who are sent here. Burke has said of a private member that his wisdom, his knowledge, his mature judgment he does not derive from parliament or the law of the land. It is a trust from Providence, and for such he will later be held accountable.

We should be extremely careful in this new parliament, because the last one was criticized for its lack of action. There are eighty-five new members with us, and we ought to use great care when we are considering the taking away of their rights and privileges and functions, which they may not realize are being taken from them. First I have to consider the rule of anticipation, a rule which, when a matter has by a reference been referred to a committee, prevents one from dealing with a problem until the report of the committee is before the house. I would point out, however, that twenty or thirty important resolutions stand in the names of private members, and that those resolutions in the past have given governments useful ideas. The government rejected for nearly ten years my motion for a national fuel policy, but at the end of that time on the eve of an election they have not been slow to accept and adopt the suggestion. They have not hesitated to say then, "We did this" or "We did that."

In my view the House of Commons should sit longer hours and in the mornings and, at least in the first week or two there should be an hour for the discussion of private members' resolutions. If that opportunity is not given, I hope the government will answer through process of ordinary question and answer, and that attached to answers will be an indication of policies proposed in regard to these private members' proposals.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I should like to say a word on this motion on behalf of the group with which I am associated. We wish to do everything possible to facilitate the business of the house. We believe that in the crisis which we now face the government should have the right of way with its business, but we want it to be clearly understood that we do not think that this should be allowed to become a precedent at any time. We would suggest that at a later date, when the urgent business has been transacted, some of these resolutions might be allowed to come before the house and be given consideration.

It is now almost a year since parliament met in regular session. During that time we have had a general election, and those of us who

are in our seats this afternoon have just come from the electorate. There are certain problems that we have been asked to bring before the House of Commons by way of resolution. While we are not objecting to the government asking us to forgo this right because of the circumstances that exist, we would ask the government to provide ways and means later on in the session, when perhaps the regular business slackens—those of us who have been in the house know that at times, for very good reasons, government business is not ready for the house—for the consideration of these private members' resolutions. Perhaps an alteration in the rules would make possible the consideration of some of these resolutions.

On behalf of the group with which I am associated I want to reiterate that we wish to do all we can to facilitate the business of the house, but we also want to maintain the right of a private member to discuss the matters which the electors have requested should be brought forward by member's resolution.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I should like to say a word on this motion, although hon. members have in some respects anticipated what I had intended to say; perhaps I was not sufficiently alert. I appreciate the desire of the government to get on with the business of the country at this time, especially after what we have heard to-day and what we have been hearing for the last two or three days from the front. I do not think there is any disposition on the part of anyone to retard the business of the session for the sake of discussing, shall I say, what are more or less academic questions.

I have never had a great deal of enthusiasm for the discussion of private members' notices of motions. In the years that I was in the house in days gone by I never had the temerity to introduce one myself. I always thought that it was more or less a waste of time. Nevertheless I suppose ten per cent of the resolutions which have been put on the order paper during the last ten, fifteen or twenty years have served a useful purpose. Of that ten per cent, probably half have resulted in action in one form or another. I had hoped that the government would see its way clear to giving private members at least to-morrow afternoon. I still hope that the government will consider that. It would be a compromise and it would dispel any impression there might be in the minds of hon. gentlemen that they are being deprived of their rights and prerogatives. I just throw that out as a suggestion; I am not going to move an amendment to the motion.

There is one other thing I should like to point out. I hope this will not be considered as a precedent for future sessions. Private members have substantial rights of debate in this house and if they are taken away at this session, perhaps some future government, not next year but later, will say, "What is the use? We need this time; here is a precedent, let us follow it." I am not hopeful that the suggestion put forward by the hon. gentleman who has just taken his seat will have any effect on the government. As a matter of fact, as time goes on I believe there will be less and less opportunity for the discussion of private members' resolutions. If this motion is carried we may take it as an accepted fact that it is the end of private members' motions and resolutions for this session. I commend to the Prime Minister (Mr. Mackenzie King) and the government the suggestion I have made, that private members should be given to-morrow afternoon.

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, I rise to express in as few words as possible my opposition to the proposal of the leader of the opposition (Mr. Hanson), that we postpone the adoption of this motion, or at any rate not make it effective for a day or so. There is a strong feeling in the country that this government is too complacent, that it is not ready to go to work and that it has not been doing any work. Now the government proposes to put everything else aside in order to try to push forward its own plans. In the light of that, no opposition of any kind should be presented to the motion. It should not be delayed until to-morrow afternoon; it should not be delayed one minute. So far as its being a precedent is concerned, so far as taking away the rights of private members is concerned, where the devil would your private members' rights be if we lost the war?

Some hon. MEMBERS: Order.

Mr. MAYBANK: All right; I will take back that word and speak less feelingly; hon. members will understand it. I share very largely the view that there is too much complacency on the part of the government, and this in spite of what I heard yesterday. I am not satisfied, and I want that to be known now. I would not interfere for one minute in any way with the prosecution of the programme of this government. Rather I want to see it put forward and got under way.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, my group is just as anxious as any group in the house that the business of the government should go forward, but the expedition with which this war is carried for-

ward does not depend altogether upon the speed with which we get through with this session of parliament. The government had plenty of opportunity to show its speed before parliament was called, and it will have abundant opportunity to do so after this session is concluded. Notwithstanding the consideration which should be given to this matter, I believe it is of the utmost importance that the individual members from the various parts of this country should have complete freedom to express the sentiments of their communities. I recognize that in this resolution all that is called for is that a committee shall be struck, and that—

Some hon. MEMBERS: No.

Mr. BLACKMORE: Then I say what I have said already with greater emphasis. I was out of the chamber temporarily and lost the trend of the discussion. I do not feel well disposed toward limiting the opportunities of private members.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, perhaps I may be allowed to say a word, because I did not speak on the motion itself. May I state at once how much I appreciate the attitude of hon. members in all parts of the house with respect to the proposal made by the government and the ready manner in which all have accepted it. I should like to assure hon. members that the government is just as desirous as they are that the rights of private members should be as fully preserved as possible. Were this not a time of war and were this not a war parliament; were it not the fact that at the moment the destiny of the great empire to which we all belong is at stake, I would not hesitate to try to meet my hon. friend the leader of the opposition (Mr. Hanson), in his suggestion that an exception be made of one afternoon for the discussion of private members' resolutions. However, with the situation what I know it to be, and as I have disclosed it to the house, I am sure that the people of Canada generally would feel that we had not a proper appreciation of our responsibilities in prosecuting Canada's war effort to the utmost, in the most rapid manner possible, if we did not seek every means to give precedence to the government's programme as respects Canada's war effort. For that reason I hope my hon. friend will not feel that I have not sought to meet his wishes. I am positive that it is in the public interest that we should make just as rapid progress as possible with the government's measures with respect to the war and Canada's war effort, and take up as little time as possible with other matters until progress has been made with these more urgent measures.

[Mr. Blackmore.]

May I point out that the resolution does not shut out any motion or bill. It simply gives precedence to government measures. Public bills will be introduced as usual and will be given their place on the orders of the day after government business, but they will not be considered after eight o'clock on Tuesdays and Fridays.

In making the motion which I have, we are but following the practice which has been followed at Westminster throughout the period of the war. In relation to the last session at Westminster, Prime Minister Chamberlain, on November 29, 1939, moved:

> That during the present session government business do have precedence at every sitting and no public bills other than government bills be introduced.

It will be seen that motion went even further than the motion before the house. It prohibited even the introduction of public bills. As the positions have become parallel, I should like to read to the house what the Prime Minister of Great Britain said, speaking to the motion on November 29:

> I told the house yesterday that the government intended to propose to take the whole time of the house with government business to provide for the presentation of government bills only, during the present session.

A little further on he said:

> I propose to follow the precedents of the last war. In the sessions of 1914-16, 1916, 1917-18 and 1918 similar action was taken. At that time the then Prime Minister, Mr. Asquith, said that every effort was concentrated upon one purpose, namely, the successful prosecution of the war, and that the time was inappropriate to bring forward controversial legislation on matters of academic interest.

Mr. Chamberlain went on to quote from Mr. Asquith certain words which I should like to re-quote inasmuch as they express the present intention of this administration with respect to the matters to which they refer. Mr. Asquith said:

> So long as this order is in force the government will introduce no legislation of a party or a contentious character and they will, indeed, confine their legislative proposals, unless in some exceptional case, to such measures as may be found necessary to facilitate, financially and otherwise, the successful prosecution of the war.

Prime Minister Chamberlain went on:

> The position to-day is the same as it was then. We must confine our efforts to the consideration of those matters which are urgently necessary for the successful prosecution of the war.

I think hon. members will agree that in following the practice which has been followed at Westminster in this time of war, the government is making no mistake. Indeed, were it to attempt to depart from such a

procedure in this all important time of crisis, it would I believe be considered remiss in its duties.

I should like to say one further word in reference to the word "complacency" which with respect to the government's attitude towards the war, has been used in different parts of the house and by a section of the press in different parts of the country, a word of which use was again made this afternoon. I hope that hon. members of the house will seek to appreciate the very difficult position in which the government finds itself with reference to making known to the public from day to day and from week to week much of the information which we should like the people of Canada to have. In the first place when the government did begin to broadcast information with respect to Canada's war effort—it made numerous broadcasts setting forth the work of the government with respect to the winning of the war—we were accused, and accused very widely as I recollect it, especially throughout the recent campaign, of putting forth propaganda. Any description of its war effort was increasingly characterized as an endeavour on the part of the government to popularize itself. That is one ever present danger that it is impossible to avoid in any statements made by the government with respect to Canada's war effort. On the other hand there is the danger, and it is a greater danger still, that in duly publicizing our war effort it is very difficult to give the information that the public generally might wish to have for its own use, without, at the same time, imparting that information in equal measure to the enemy. That is a circumstance of which the government has constantly to take full account.

I really believe that such impression as has been created in the minds of some that the government has been complacent in any particular with regard to its war effort has arisen from the causes I have mentioned. It arose first of all from the fact that during the period of a general election it was inadvisable to introduce into the discussions in a political contest fresh information from day to day with regard to what the government was doing. And since that time such information, for instance, as I gave to the house yesterday was of such a character that it seemed advisable to withhold it until parliament met in order that, if there was any question with respect to its authenticity or the fairness of its being made public by the administration, that question if raised could be immediately answered from official sources on the floor of parliament itself.

Now that parliament is in session, there will be opportunity for hon. members from day to day to question the ministry with respect to matters concerning which they believe the public desire information. Now that such information will be coming forward from day to day as a result of our parliamentary discussions, I hope that what I believe to be a wholly erroneous impression with respect to complacency wherever it exists will very rapidly disappear. I believe that hon. members who heard what I gave last night, of the government's record must already feel that any criticism of the kind has been wholly unwarranted, and would probably not have been made had the public been able to receive before last night the extent of the information which was given at that time. I mention this only because I feel that at this time of war, when the government is doing its very best on behalf of the people of Canada, it is hardly fair to Canada itself not to give the fairest representation to the public of the government's action, also that when the government is carrying the load it is, the government is entitled to expect as much in the way of legitimate support, as little in the way of non-constructive criticism, as it may be possible to give in the one case, and to avoid in the other.

With respect to the rights of members to get information on matters of interest to their constituents and to themselves, may I say that there is not a subject that I can think of that cannot be discussed frankly and fully on the estimates, or, as regards the defence services, or the appropriation bill. The estimates of the government cover all the public services. They will be presented to parliament, and as they are discussed in the house members will be free to bring up for discussion questions relative to items under consideration. The items as a whole cover, I believe, every conceivable category that has to do with matters of public interest and concern.

Motion agreed to.

HOUSE OF COMMONS

APPOINTMENT OF COMMITTEE TO CONSIDER PROCEDURE AND INTERNAL MANAGEMENT

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

That a select committee consisting of Messrs.

be appointed to consider with Mr. Speaker the procedure of this house in regard to a more expeditious dispatch of public business and to suggest any changes that may be desirable therein; and also to inquire into the terms and operation of the House of Commons Act,

the Senate and House of Commons Act and provisions of other acts relating to the internal management of the House of Commons' affairs; and to recommend such amendments thereto as the committee may deem advisable; with power to call for persons, papers and records, to examine witnesses and to report from time to time.

He said: As some hon. members have indicated by what they have already said, it is apparent that this particular resolution bears an immediate relation to the one that has just been passed. The proposal is that a committee of the house should be appointed to consider matters of procedure looking to a more expeditious dispatch of public business and to such changes as may be desirable therein. In other words, while the house has just passed a resolution giving the government the right of way with regard to government business to the fullest extent that could be desired, and to that degree may appear to be depriving hon. members in part of some of their rights, the proposal is that that whole situation will be reviewed by a committee of the house composed of members of the different parties, who will be free to bring back to the house recommendations which in their opinion are essential for the preservation of the rights of private members or for the purpose of making still more secure the position of the government with respect to expediting public business.

I do not think I need say more on this resolution except to observe that, as it stands at the moment, it does not mention the names of those who will compose the committee. If the resolution carries, however, I am advised that there can be no exception to the Prime Minister announcing later on the names that have been agreed upon. The resolution having carried, it will be assumed that the house will be agreeable to the names decided upon after conference between the whips. I believe it is better not to insert the names immediately as not to do so will afford fuller opportunity for careful consideration and conference in the selection of the personnel.

Hon. R. B. HANSON (Leader of the Opposition): I wish to ask the Prime Minister a question but I should not like to be debarred from saying something on the resolution later on, although I do not intend to discuss the matter at present. Has not the government in mind something concrete which it proposes to lay before the committee, and if so what is it? I ask that question in order that we may know the reason for setting up the committee. Personally I have not heard a demand for such a committee to be set up, and I would ask the Prime Minister to be good enough, if he feels so disposed, to inform the house what the government has in mind, or what has actuated him in making the suggestion.

Mr. MACKENZIE KING: The sole motive of the government in making the suggestion is to gain an opportunity to expedite the business of the house. The kind of questions that would be considered by this committee might be, for example, to provide for presenting non-money bills without notice and passing them through the three stages the same day. I do not say that would be a question which the committee, if appointed, would agree upon immediately, but they might consider whether it would not be one means of helping to expedite the business of the house. Another matter which would require consideration would be that of giving government business precedence at an earlier date; in other words, a reexamination of the resolution which has just been passed.

Another question might be that of limiting the number and kind of questions to be placed on the order paper. My hon. friend is an old parliamentarian and he has no doubt seen the order paper frequently filled with questions many of which might be asked in the course of discussion in committee of supply, questions that mostly serve to clog the order paper, and help to protract the proceedings of the house. My hon. friend, I am sure, has also seen the order paper clogged with innumerable resolutions often making it impossible for the most important resolutions to be dealt with before others much less important are reached. There might be adopted measures similar to those at Westminster with respect to resolutions, whereby a better method might be found of deciding which of them should have precedence, how many should be taken up, and so on.

Again, there is the question of appeals from decisions of the Speaker. There has grown up in the last few parliaments a practice of appealing from decisions of the Speaker, made with such frequency that it seems at times to make the rule of respecting the Speaker's ruling the exception rather than the practice. That is putting it a little strong, but the committee might well consider whether the practice of appealing from decisions of the Speaker, unless there is a very special reason for so doing, might not be restricted in some way.

Then, again, there is the right of ministers to amend their own motions. It is a very small matter, but I have seen considerable delay created in the house when a minister who has a measure before the house has to turn and find one of his colleagues to propose

the desired amendment for him. That seems to me to be the kind of thing which might be regarded as unnecessary at this time, when we have very serious matters to consider.

Then there is the question of a possible change in the hours of sitting. I am not at all sure that I would wish to see the hours changed in many particulars. I think, however, that if we followed the practice on Friday of meeting in the morning and adjourning at six, instead of meeting at three in the afternoon and sitting until eleven usually with a slim house in the evening, that procedure might help to expedite the business of the house to have it attended to more thoroughly and also serve the greater convenience of hon. members. That is a good example of the kind of question that might be considered.

Again, there might be a standing order to curtail protracted debates. There are certain statutes concerning the business of the house that might be improved. A suggestion has been made that there are sections of the Senate and House of Commons Act with respect to the leader of the opposition and some of his perquisites or prerogatives—

Mr. HANSON (York-Sunbury): I hope you are not thinking of curtailing them.

Mr. MACKENZIE KING: —which might be looked into with advantage, I believe to him. There are some sections in the act that are now anomalous or obsolete that might be improved. The clerks of the house and of the senate, and the law clerks, might prepare possible improvements for submission to the government.

That is the presentation as I made it to my colleagues, and I wish to assure my hon. friend that there is no subtle device or aught that is at all devious behind anything that I have put forward or ulterior motive behind the resolution as a whole.

Mr. HANSON (York-Sunbury): I am obliged to the Prime Minister for having acceded to my request and given the house the concrete ideas he has in view. To some of these suggestions I think we can give most favourable consideration; there are others which I should like to ponder a little.

Mr. MACKENZIE KING: My hon. friend understands that I am not putting them forward as government proposals, but only suggesting the kind of questions a committee might profitably consider.

Mr. HANSON (York-Sunbury): I know; I am just making some general observations. There are others to which I should be definitely opposed. There can be I think no objection to the motion in itself. I cannot recall the year, but I remember that under Mr. Speaker Lemieux—

Mr. LAPOINTE (Quebec East): The year was 1927.

Mr. HANSON (York-Sunbury): Thank you. A committee of this kind was set up, and my recollection is that some very good men were on that committee.

Mr. LAPOINTE (Quebec East): Hear, hear. My hon. friend was on it.

Mr. HANSON (York-Sunbury): I was not thinking of myself, but I was thinking of Sir George Perley, a highly honoured and respected member of this house, who knew a lot about the rules for—shall I say—a layman. I think the gentleman who was subsequently Mr. Speaker Black was on that committee, and your humble servant. We evolved the forty-minute rule, of which we had high hopes. If the Minister of Justice was on that committee—

Mr. LAPOINTE (Quebec East): I was.

Mr. HANSON (York-Sunbury): —he will probably remember that he thought that by limiting speeches to forty minutes we should curtail the duration of sessions of parliament. I do not want to speak dogmatically, but my impression is that it did not have any such effect; more people spoke, and they spoke oftener. You cannot by any time limitation curtail free speech in a body of men composed of Anglo-Saxons, men who desire freedom of thought, speech and action. However, I would not go back on the forty-minute rule; it has had some salutary effects—we do not have to listen to such long speeches. But I am a bit fearful that some of the suggestions which the right hon. gentleman has made will have the effect of curtailing discussion. Of course the government can put things through if they want to, but if this resolution is adopted it will have the effect of curtailing the rights of private members and of extending the power of the cabinet and the executive. I know that in England they have had to do these things; the pressure of empire business is so much greater than the pressure of business here that perhaps they cannot give effect to all the desires of private members along the lines of certain social legislation which is being promoted from time to time. But I hope the government will pause before taking any step that would curtail the rights of hon. members of this house—I am taking as long

a view as I can—and result in the aggrandizement or enlargement of the powers of the executive in the House of Commons itself.

Mr. MACKENZIE KING: Hear, hear.

Mr. HANSON (York-Sunbury): I am astonished that even the suggestion of such a thing should come from a Liberal prime minister.

Mr. T. L. CHURCH (Broadview): I would support this motion if I thought it would cause immediate action and help in getting on with the war. But I fear it is going to have the opposite effect. We in this house have been slow to see how the executive, known as the cabinet, have been usurping the functions and privileges of parliament. The present government got along without a parliament for a year less eighteen days, except for four or five days last September. We might just as well abolish parliament altogether if we are going to refer the question of war to the Minister of Finance's committee and stop any criticism of it. They criticize war mistakes in Britain and France.

The committee system has been weighed in the balance and, in my opinion, found wanting. We have had illustrations. What is parliament for? What are the functions of parliament? Parliament is a place where the people whom we represent can address their grievances to the government and have them dealt with by 245 members in this house. It is a place where the country can get facts, something they have not been able to get so far about this war; where they can get facts about government policy, about immigration, about trade and tariffs and finances and the way the country is run. There is no other place where the people through their representatives can get these facts and the government's explanation of federal policies. They cannot get them from the press or radio; they can get them only from one agency, where the press and radio should get them, must get them in part, namely, from the government of the day. Under our parliamentary system the responsibility is on the government of the day for laying down a policy, and their responsibilities and trust should not be shunted off on some committee or side show.

What is this committee system? We were told that if the Canadian National Railways estimates were referred to a committee we would find out the facts and have some control, but the big I's were not restrained, they kept on building big hotels and all kinds of branch lines almost to the sun, the moon and the stars. When you entered the committee what did you see? I went to the committee four or five times; they invited me once, and once was enough. Members sat around a table, more than two-thirds of them smoking the pipe of peace and passing everything—a whitewashing affair.

Now, if we are going to deal with the bill of the Minister of Finance about the war by referring it to a committee we might just as well close parliament right now, and there will be no criticism or redress of grievances. Think what criticism did in France, the glorious country to whom civilization owes so much to-day; how it speeded up action. They are practical people, they know the world in which they live, they can appreciate the present struggle, they know what Germany is because they have lived beside her for thousands of years. In France they get reforms not by shunting things off to a committee but by the chamber of deputies taking them up and forcing the government to speed up the war on land, at sea and in the air before they grant supply. I am just referring to the committee system.

I had a resolution along the very same lines as this motion in the sessions of 1937, 1938 and 1939. It called for a committee to take up the whole question, in view of the foes within the country and outside. It proposed to reorganize our parliamentary system, our constitutional system, our cabinet system, our legal system; to bring our system of government up to date to meet modern conditions. This resolution proposes to amend the Senate Act. That is an old plank from the platform of the Liberal party—senate reform. Do they propose to refer the selection of senators to this committee? They were to reform the Senate; how did they reform it? They made it worse than it was before. It was proposed in this house in the dying days of the session in June last year that instead of the crush and crowding of the opening in the senate they should use this chamber for the opening day. But the government would do nothing. Now they propose to deal with the Senate Act. The resolution is not broad enough to deal with Canada's main domestic problem, namely parliamentary reform, constitutional reform, cabinet reform, law reform. In the old country they had reform of the House of Lords; we want senate reform and law reform. We are miles behind the old country all along the line. Four years before the war Britain acted and reorganized her parliamentary and legal system, with the result that she was ready.

I have seen some of the results of these committees, their reports received in the dying days of the session. What happened here three days before parliament closed one

session? At eleven o'clock in the morning the then Minister of Pensions and National Health (Mr. Power) brought in the report of the elections committee. The late member for St. Lawrence-St. George (Mr. Cahan) discussed the report and no one else was given a chance to say a word; the chairman got up and moved the adjournment of the debate and prevented further discussion. That was the last we heard of that report until an hour or two before the close of the session, when no one could speak on it.

See how we have dealt with the Canadian National railways. Once we divest ourselves of powers and functions that is the last of it. Very little was heard about the committee on agriculture or the grain committee after these references to committees. Another point is that when these matters are referred to these committees no action can be taken in this house because of the rule of anticipation.

This government has been very fond of the committee and royal commission method of dealing with these questions which should be dealt with in this house. It has been a favoured method of the federal government to postpone action on the very matters with which they were elected to deal, on which action was most imperatively required in connection with both domestic and external affairs. These committees and commissions achieve nothing; that is one reason why they are appointed. In any event they are only advisory and their reports to this house generally do not amount to anything. Here we have this commission on the constitution, which I am told cost $400,000, and the report will just go to the archives. Canada has had enough of these Pickwickian committees and commissions, all of which are instructed by the government as to their personnel and as to the scope of their inquiry. Many of these appointments are made for reasons of expediency, while some of the commissions are overloaded with professors.

We are behind the times in Canada. If something of this sort is needed I believe the government should adopt the resolutions I brought before the house in 1937, 1938 and 1939, on parliamentary, constitutional, cabinet and law reform, which would include senate reform. Dear knows senate reform is badly needed, when we see some of the appointments which have been made there recently for political reasons.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I have devoted a great deal of thought and study to the subject of parliamentary practice and have gathered a library of parliamentary rules embracing every parliament, legislative assembly and legislative council within the empire. I think perhaps my collection is more complete than any other here in Ottawa, even in our parliament. I will gladly place my collection at the disposal of any hon. member who would like information about the parliamentary rules of Australia, New Zealand, South Africa or even the legislative bodies of Jamaica, the Bahamas or any other part of the British empire. Once in London I approached a firm of publishers and asked if they would publish a book on comparative parliamentary procedure and practice throughout the empire. I left the manuscript in the hands of a reader who, when I returned after a few days, said to me, "Sir, the only way to have this published is through a foundation, because no one will read a book on parliamentary practice and procedure."

A few years ago, as a delegate to a small conference of the British Empire Parliamentary Association, I had the opportunity of addressing a few words to a meeting of that conference at Westminster, which meeting was presided over by Sir John Simon. I went on to explain the practices in the various legislative bodies of Canada and other parts of the empire, and told my fellow delegates that the most complete rules in Canada were those of the province of Quebec which had been prepared by Mr. Geoffrion at the time Sir Lomer Gouin was premier. Then a delegate from New Zealand rose and said, "What is the use of mentioning any number of rules? They do not count at all, because in every legislative body the main rule is the will of the government."

I believe it will be agreed that the text of a rule is not so important as an understanding of the British parliamentary tradition at Westminster. It is our duty as a parliament—and I speak for the Senate as well as for the House of Commons—to follow as closely as possible the British tradition which has been established at Westminster and which has been in force there for many centuries; but what is the use of aping it? There is a great difference. In this parliament we have two books; we have the rules of the house, which is a very thin book, and we also have a compendium which has been prepared by our common friend Doctor Beauchesne, the clerk of the house. As I have said, the rules themselves form a much smaller book than the compendium, but they are the rules adopted by this house. We are the masters of our destiny. I remember quite well when a dinner was given to my chief, the Prime Minister (Mr. Mackenzie King), at the Chateau Frontenac in Quebec city after the election of 1926. Speaking of the position of the Prime Minister in this parliament my right hon. friend said, "I am only the first

among equals." In this house, Mr. Speaker—and I take this opportunity to congratulate you warmly upon your election as Speaker—you are the master. You can call the prime minister to order just as you can call the leader of the opposition or myself to order, should the necessity arise. Moreover, you have the responsibility for whatever happens in this house. Therefore in this parliament you are the first citizen; that is why you preside over our deliberations.

I am very much concerned about any change in the rules at this time. If the change is to expedite the business surely it is superfluous, because I never saw the address voted as quickly as it was this session. This morning I met people who asked me if it was true that the address had been voted last night. That was very expeditious. The house opened on Thursday; the address was moved on Friday; there was no sitting on Saturday or Sunday, and on the second day of debate the address was adopted. It cannot be more expeditious than that. Of course the house is free to change the rules if in these times they are found unsuitable. My fear is, however, that under the cover of patriotism some people who are not members of the house may take advantage of the war to improve their own personal positions.

There are many new members in the house this session, and I congratulate all of them upon their election. I believe that the average of the House of Commons in 1940 is better than that in 1935, although I must express my regret that a few members were defeated. Speaking in a non-partisan way may I tell new members that in the House of Commons the danger does not lie in the application of the rules; it lies in what is done outside the rules.

A moment ago I was referring to the rules and orders of the house. Those rules and orders are contained in a small book which has been divided into two parts, dealing respectively with public bills and private bills. Any hon. member wishing to get information concerning debate on public bills has only to look at the few rules passed by the House of Commons and contained in that book. To show how tiny is the understanding of those rules may I remind you, Mr. Speaker,—and probably you have not forgotten—that at times I have heard even ministers of the crown referring to rule No. 535 or rule No. 625, when in fact there are not even two hundred rules passed by parliament. Those references in Doctor Beauchesne's book are merely to quotations from authors who have written respecting parliamentary procedure and practice. They are not rules; they are references. They refer to quotations from authors such as Bourinot, May and others, who have summarized rulings given by speakers either in Canada or at Westminster.

One point I have never understood, and it is this: A member may say whatever he thinks is true. In saying it, he may use any language, provided it is the king's language, about any individual, with the exception of His Majesty the King, members of the royal family and members of the House of Commons and the Senate. I remember well that a former leader of the opposition used very strong language regarding a newspaper man from the west, and in the use of that language he was called to order and was sustained by the chair. I can remember that on one occasion, when Mr. Bennett was either prime minister or leader of the opposition, I made a statement which was denied by him, and I had to withdraw. There was no reason at all for my withdrawal. My word was as good as that of a millionaire, and in this chamber my rights were equal to those of Mr. Bennett or anybody else. In the event of an hon. member making a statement and that statement being denied by another hon. member, the hon. member who believes the statement is inaccurate has the right of denial. But the member who made it cannot be forced to withdraw unless he has used unparliamentary language or expressions which are not fit for use in debate.

Therefore, sir, we have before us the very reason why we should be most careful when amending the rules of the house. One reason is that the rights of any hon. member, whether he be a back-bencher or a front-bencher, a private member or a minister of the crown, are deserving of the most careful consideration. All hon. members have the same right in debate, and you, Mr. Speaker, must decide who is right and who is wrong. You cannot decide in favour of one against another simply because one is a minister or a privy councillor and the other is a back-bencher. That is only elementary justice and fair play.

Then, there is another thing to be feared in the House of Commons, and that is the atmosphere created at times. May I at this point congratulate the Minister of Finance (Mr. Ralston) upon his appearance in the house. I am glad to see him here, particularly because he is so healthy, and does not pose as a sick man. Sometimes debate has been hampered because of sickness, and when we have approached a discussion in the house we have thought that we must be in the corridor of a hospital. One could almost smell the chloroform, the anaesthetic, the bandages and the iodine. That was the atmosphere in which we worked. One was tempted to believe that he was speaking in a hospital where there

were sick men, and on occasions we have had to swallow everything because of that sickness. I know something of that—but I did not swallow anything.

Then there is the atmosphere of the pink-tea room. I realize of course that the newcomers are surprised when they hear me make these statements. However they must be familiar enough with British traditions to know that every civil servant is represented in the House of Commons by his minister, and if a civil servant acts under instructions received from his minister, or in accordance with those instructions, then he must do it within the knowledge of the minister, and that minister is bound to defend him in the house or to resign his portfolio. On the other hand if it is within the knowledge of a member of parliament that in any respect any civil servant has been faulty, he is within his rights when he asks information from the government about such individual. We are the ones who are called upon to vote the salaries and at times without any explanation to vote formidable increases in already high salaries of civil servants. We must inspire in those individuals both fear and respect of parliamentary institutions. I tell the Prime Minister (Mr. Mackenzie King), the Minister of Justice (Mr. Lapointe), the new Secretary of State, (Mr. Casgrain)—whom I now congratulate—the Minister of Agriculture (Mr. Gardiner), my old friend the Minister of Labour (Mr. McLarty), and the Minister of Finance (Mr. Ralston) that among the whole gang of bureaucrats by whom they are surrounded they will never find anyone as true and as sincere as any member of the House of Commons, whether that member be on one side or the other.

At times the government may not like to listen to criticism from the other side or even from this side of the house. Ministers do not like to be contradicted. But I will tell you, sir, that no member of parliament can be elected by thousands of votes unless he has something to his credit. Moreover, each member on this side of the house is a bar of the ladder on which the government climbs to power. No bars, no power. Bars are small things, but they must be considered. The Prime Minister and his colleagues know the respect I have for them, but at the same time they know that discussion is impossible in this house unless you, Mr. Speaker, or the chairman of the committee of the whole, comply not only with the letter of the rules that we have, which I admit are very complete, but also with British parliamentary tradition, which I hope will be kept intact for the future in this country as well as in Great Britain.

Mr. J. H. HARRIS (Danforth): Mr. Speaker, I will leave it to someone else to clear the atmosphere or to describe just what kind of atmosphere we come out of when my hon. friend sits down. Considering the cloud under which we rest to-day we ought to be brought back most quickly to a realization of our responsibilities. I am thoroughly in accord with the suggestion that there be a more expeditious dispatch of business. However, I cannot just see how a committee which will call and examine witnesses and perhaps bring in a report at the end of the session can be of much use at this particular time.

Let us get on with the public business of this country, whether we sit Friday morning, Friday afternoon or Friday night. Let us sit all the time and get on with the business if there is business to be done. Let us get on with the government business of this country. Let us get on with the war effort of this country as quickly and expeditiously as possible without having these academic discussions as to whether or not a committee should be set up. The Prime Minister (Mr. Mackenzie King) has been good enough to give us some idea of what this committee might do. What is the real object in setting up this committee? In my opinion its real object is to shorten this session. We have had too many short sessions.

The Prime Minister says that we should follow Westminster. Since this tragic war started, Westminster has not missed a month without sitting. Those elected to the parliament of Great Britain were able to examine the actions of the government and let the people know what was going on. How have hon. members felt since war was declared? Hon. members did not know what was going on and yet the people looked to them as members of parliament to let them know what was going on. Hon. members waited patiently from the time of the short session to the next very short session expecting that they would learn something, but there was an almost imbecile inactivity. The government now brings forward a resolution which will tend only to shorten the session. We should be sitting each and every month; we should be sitting through the hot weather, through the cold weather and at all times while this emergency exists. We are ready to expedite the business of the government in every way we possibly can, but do not send us home leaving everything for the government to do. That is not enough. The people of Canada must know what is going on.

Mr. MACKENZIE KING: May I say to my hon. friend—

Mr. HARRIS (Danforth): We are all disturbed at the news, but we in Canada are British and we can take it. We do, however, want to know what is going on. I will answer the question of the Prime Minister in just a moment. Let us follow Westminster and let us give the people an opportunity of knowing what is going on.

Mr. MACKENZIE KING: I was going to say to my hon. friend that if it will help us to get on with our war effort, and if he were prepared to end his speech, I would be quite prepared to withdraw the resolution. Rather than have any doubts as to the motive of the government in this matter, with the consent of the house I will withdraw the resolution immediately.

Mr. HARRIS (Danforth): I have never been accused of wasting the time of this house and I do not propose to do it this session. I am quite in accord with the suggestion of the Prime Minister that he withdraw the resolution.

Motion (Mr. Mackenzie King) withdrawn.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—FINANCIAL ASSISTANCE TO PROVINCES

Hon. N. A. McLARTY (Minister of Labour) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress out of moneys appropriated by parliament, and for such purpose to supplement the measures taken by the provinces towards providing assistance to those in need, establishing unemployed persons in employment and training and fitting suitable persons for productive occupations, and also to provide financial assistance to the provinces by way of loan, advance or guarantees out of unappropriated moneys in the consolidated revenue fund, and for the appointment of necessary officers, clerks and employees.

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

Mr. HANSON (York-Sunbury): Is this the usual preliminary resolution giving notice of a bill?

Mr. McLARTY: Quite so.

Mr. HANSON (York-Sunbury): Is there any explanation which the minister desires to make at this stage?

Mr. McLARTY: I think perhaps it might be better to do it when the bill is presented. This is a reenactment of the Unemployment and Agricultural Assistance Act.

Mr. HARRIS (Danforth): Are there any additions or changes?

Mr. McLARTY: There are three amendments, but they are not of great importance. There is one amendment in connection with the preamble to the bill. If it is satisfactory, perhaps these explanations could stand until the bill is before the house.

Mr. MACKENZIE KING: I might say that this motion is not debatable; it is simply a formal motion.

Motion agreed to.

SOLDIER SETTLEMENT

DISPOSITION OF MINES AND MINERALS ACQUIRED WITH OR UNDERLYING LANDS

Hon. T. A. CRERAR (Minister of Mines and Resources) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce an amendment to the Soldier Settlement Act to authorize the director of soldier settlement, with the approval of the minister, to grant to the original soldier settler the mines and minerals acquired with the lands, and also to authorize the director to dispose of mines and minerals underlying land not under purchase contract by an original soldier settler.

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

Motion agreed to.

PENITENTIARY ACT

REMOVAL OF CONVICTS FROM YUKON AND NORTHWEST TERRITORIES TO GAOLS OR PENITENTIARIES IN THE PROVINCES

Right Hon. ERNEST LAPOINTE (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Penitentiary Act and the Penitentiary Act, 1939, to provide for the removal of convicts from the Yukon and Northwest Territories to gaols or penitentiaries in the provinces, and for the payment by way of compensation to the provinces for the confinement of such convicts therein.

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

Motion agreed to.

CITY OF OTTAWA AGREEMENT

AUTHORIZATION OF PAYMENT OF $100,000 FOR THE YEAR ENDING JULY 1, 1940.

Hon. T. A. CRERAR (Minister of Mines and Resources, for the Minister of Public Works) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to authorize the Minister of Public Works on behalf of his majesty to enter into an agreement to pay to the corporation of the city of Ottawa the sum of $100,000 for the year ending July 1, 1940.

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

Motion agreed to.

SEEDS ACT

MEASURE TO EMPOWER THE MINISTER TO PRESCRIBE FEES FOR SEED CONTROL SERVICES

Hon. J. G. GARDINER (Minister of Agriculture) 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 amend the Seeds Act, 1937, to empower the minister to prescribe fees for seed control services.

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

Motion agreed to.

CIVIL SERVICE SUPERANNUATION

ORDER IN COUNCIL OF AUGUST 11, 1939, TO HAVE FORCE AND EFFECT OF STATUTE

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

That it is expedient to introduce a measure to provide that the order in council respecting civil service superannuation dated 11th August, 1939, shall have the same force and effect as if sanctioned by act of parliament on the said date.

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

Motion agreed to.

WHEAT CO-OPERATIVE MARKETING

CALCULATION OF INITIAL PAYMENTS TO SELLING AGENCIES—AUTHORITY FOR PAYMENT OF LIABILITIES AND ADMINISTRATIVE EXPENSES

Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend The Wheat Cooperative Marketing Act, 1939, to provide for the calculation of initial payments paid to selling agencies, and also to grant authority for payment of liabilities of the minister under any agreement and of administrative expenses.

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

Motion agreed to.

NATIONAL DEFENCE

CREATION OF AIR MINISTRY—ADDITIONAL DEPUTY MINISTERS FOR MILITARY, NAVAL AND AIR SERVICES

On the order:

The Prime Minister—in committee of the whole—the following resolution:

That it is expedient to introduce an act to provide for the appointment of a Minister of National Defence for Air, at the same salary as the Minister of National Defence, to deal with matters relating exclusively to the air service, and also for the appointment of additional deputy ministers for the military, naval and air services respectively.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the resolution which appears in my name is one related to the appointment of a Minister of National Defence for Air. I should like, if the house would give its consent, to have this resolution expedited, passed and if possible the bill introduced to-day with a view to having the second reading of the bill to-morrow. If the house will give its consent to expedite this very important bill which has immediately to do with the prosecution of the war, I would like to move that the house do go into committee of the whole on the resolution at the present sitting.

Mr. MacNICOL: May I ask if the bill will restrict the duration of office of the new minister to the duration of the war?

Mr. MACKENZIE KING: Yes, it will for a definite period in reference thereto. Mr. Speaker, if the house consents, I move that

the house go into committee of the whole at to-day's sitting to consider the following resolution:

That it is expedient to introduce an act to provide for the appointment of a Minister of National Defence for Air, at the same salary as the Minister of National Defence, to deal with matters relating exclusively to the air service, and also for the appointment of additional deputy ministers for the military, naval and air services respectively.

His Excellency the Administrator, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

Mr. MASSEY: Mr. Chairman, if I might be permitted a brief word I should like to commend the government for the step they are proposing in this resolution. I think we all realize not only the gravity of the situation but the stress and strain which must be put upon the Department of National Defence as a result. We appreciate that it is obviously impossible for one man no matter what his capabilities adequately to cope with all these matters. The onerous responsibilities placed on the shoulders of the Minister of National Defence (Mr. Rogers) cannot possibly be carried by one man. Yesterday afternoon we listened to the Prime Minister (Mr. Mackenzie King) as he laid before the house the present plans of the empire training scheme. It is my privilege and one of which I am proud to be an officer of junior rank of the Royal Canadian Air Force, and I have some very definite ideas in regard to the importance of the air training plan. I am sure that hon. members will fully appreciate that the air training scheme as at present in project and in course of development is one which will and must demand the full services of a minister qualified to cope with the extent of the plan itself.

I might further be permitted to say that as a result of my contact I am deeply impressed with the calibre of the men who are in the Royal Canadian Air Force, from the chief of the air staff down to the airmen and aircraftmen. One cannot help but be proud of his fellow Canadians when one associates with them as it has been my privilege to do. I have reason to make these few remarks only to commend the government for the step they are taking in establishing a ministry for air and to assure the Prime Minister that this step will be most fully appreciated by the Royal Canadian Air Force. I say this without attempting to belittle in any way any of the efforts of the personnel of the air force themselves. They are a magnificent body of men, and while we may be proud of the Royal Air Force and its personnel, I think it is well known that there are no pilots and airmen equal to Canadians, and they deserve the best that can be had. There is nothing too good for the Royal Canadian Air Force; there is no service which the government can render that can exceed its responsibilities to the Royal Canadian Air Force. It seems to me that the step contemplated by this resolution is one in the right direction, and I commend the Prime Minister for it.

Mr. MACKENZIE KING: I should like to express to the hon. member for Greenwood (Mr. Massey) my warmest appreciation of the remarks he has just made. They are doubly appreciated, coming from him as an officer of the Royal Canadian Air Force, and especially as he appears in the house this afternoon wearing the uniform he does.

Mr. CHURCH: Will this particular bill be within the four corners of the empire agreement, and has the British government been consulted about it and consented to it?

Mr. MACKENZIE KING: I am not quite sure that I catch my hon. friend's meaning about the four corners, but I gather that what he desires to know is whether this measure will apply to the administration of the British commonwealth air training scheme—whether that whole scheme will come under the administration of the air ministry. If that is the question, I answer yes.

Mr. MacNICOL: Are there to be three ministers of national defence in charge of naval affairs, air and the military service respectively, and three deputy ministers?

Mr. MACKENZIE KING: The present Minister of National Defence will be the minister immediately responsible for the army and navy. The minister for whom provision is being made in this bill will be immediately responsible for matters pertaining to the air service. The present Minister of National Defence, in order that continuity may be preserved in the administration of the department and to ensure the proper coordination of the defence forces will have a certain supervision over the entire services, and the final say where questions of policy affecting the relations of all three will have to be considered. I may as well mention immediately that the intention of the government, if this measure is passed, is to request His Excellency the Administrator to appoint as Minister of National Defence for Air my colleague and friend the present Postmaster General (Mr. Power). My hon. friend, as hon. members are aware has from time to

time for many years filled the position of acting Minister of National Defence when the minister of that department has been absent from the capital. The present Postmaster General has been in complete charge of the Department of National Defence during the recent absence of the present minister in London. He is already wholly familiar with the work of the department not only as it relates to the air service, but also to the other services. The two ministers, happily, enjoy the closest of personal as well as public relations, and there will be, I believe, to each of them a distinct advantage in being able to confer together with respect to matters affecting the department as a whole.

In the old country it has been found advisable at this time of war, where they have had three separate ministries, one for the army, one for the navy and one for the air, to have one minister take supervision of the three services. That function, so far as it relates to the proper interrelation of the services, will continue to be performed by the present Minister of National Defence. For many reasons I believe no better possible choice could be made for minister for air than the present Postmaster General. He has not only had the experience to which I have just referred in administering the affairs of the Department of National Defence. He has had wide experience in the administration of other government departments. He also, as we all know, served his country overseas in the last war.

There was a question asked by my hon. friend opposite; I did not catch his words. Did he ask me whether the bill would define "Minister of National Defence", or did he wish to know whether it would be confined to him?

Mr. MacNICOL: I was not very clear and I am not quite clear yet as to what is intended. The last line refers to the military, naval and air services, and I was wondering whether there was to be a minister for military services, one for naval services and one for air services, and three deputy ministers.

Mr. MACKENZIE KING: The question my hon. friend asks is whether there will be three separate and distinct deputy ministers, one for each department. There will be three deputies but only two ministers responsible for the three services.

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce Bill No. 15, to amend the Department of National Defence Act.

Motion agreed to and bill read the first time.

WAR APPROPRIATION BILL

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

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

That sums not exceeding $700,000,000 be granted to His Majesty towards defraying any expenses that may be incurred by or under the authority of the governor in council during the year ending 31st March, 1941, for—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measures deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

With provision also empowering the governor in council to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money, not exceeding in the whole the sum of $700,000,000 as may be required for the purpose of defraying the aforesaid expenses, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

He said: I do not propose to take the time of the house for very long in connection with this resolution. The matter of the physical aspect of Canada's war effort was dealt with at length by the Prime Minister (Mr. Mackenzie King) yesterday, and I have no doubt that in the course of the discussion there will be full opportunity to obtain the fullest information consistent with the public interest with regard to the various phases of our war effort. Suffice it for me to come immediately, as the desire has been indicated from all sides of the house, to the business of the day, that is to present in a word or two the make-up of the sum which it is now suggested may be voted for the use of the government in connection with the purposes set out in the resolution.

The house will remember that, back in November last, I intimated to the public of Canada that the programme which had been laid down by the government and which had been announced, it will be remembered, within a very short time after parliament prorogued, was estimated to cost $315,000,000. After that there had been added a considerable amount, I think some eight or ten millions, on account of what we have referred to repeatedly as ancillary troops, troops which may be used eventually as corps troops or divisional troops; and in addition there had been added the estimated cost of the air training scheme, all

of these for the first year of war, that is to say the year ending September 1, 1940. At that time I intimated that Canada's rate of expenditure during that first year of war was estimated to be about $1,000,000 a day. Since that time that sum has had a very progressive and sturdy growth. I am not asking for any sympathy in the position which I occupy in endeavouring to direct to some extent, if I can, the economic policy of this country and this government. But I do say that the sums which come to one for consideration and which have to be dealt with in connection with the provision of funds for our war activities are—may I say this at least?—somewhat larger than I have been used to in private life. They are almost overwhelming. This sum to which I have referred, which amounted to something like $375,000,000, grew so that when the estimates were prepared at the end of the year for the session which was to open on January 25, 1940, it amounted to, not $375,000,000, but $500,000,000. Soon after that I intimated in a public address which I made that I estimated that these commitments which were proposed would, for the fiscal year ending March 31, 1941—if hon. members will differentiate that from the first year with which I was dealing, the first year of the war—amount as I said to not less than $500,000,000. Then some items of difference arose from factors which are difficult to estimate.

May I say there is the greatest difficulty in estimating the cost of military units because obviously it depends entirely on where the military unit may be serving, in other words on what the cost of maintenance may be, or to use a more brutal word, what the wastage may be; and the wastage depends on the degree of activity in which the unit is engaged. Officers of the Department of National Defence advised me that it was difficult to make estimates and they had to do the best they could by taking the rates of wastage which were being used from time to time, resulting from experience, in order to make up these estimates. The amount was roughly $500,000,000. Included in that were amounts for some other departments which were engaged in war activities. That amount continued to grow. I do not want to go into items at all; but I remember one item, it did not mean the provision of another division or anything which the public would know anything about, it was an increase in the establishment of the rifle battalions in the division. That sum alone, just for the increase of the numbers in each rifle battalion in the division, of which there were nine, amounted to between $5,000,000 and $6,000,000. I remember also there was a change in the engineers establishment, and although there was still a division, the changes made in that item amounted to about $4,000,000. I remember that a depot for mechanical transport—and there was nothing to indicate to the public that anything was being done; it did not show on the surface—cost about $1,200,000. I just mention these items to indicate some reasons for the increase which took place in the financial obligation.

In addition there was the announcement made by the Prime Minister in January that a second division would be going overseas, which meant an increase in cost, on account of the necessity for providing additional equipment, of something like $41,000,000. There were other items which I need not mention which increased the estimate to between $560,000,000 and $570,000,000. Then in preparation for this session the estimates were reviewed again, further additions were made, and the amounts—and here again I realize that they are estimates—were in round figures: for the army, $265,000,000; for the navy, $100,000,000—the Prime Minister used the figure $103,000,000; I think that is the more exact figure—for the air force, $100,000,000, and for the air training plan, after allowance for payments to be received from our sister dominions of Australia and New Zealand, the net cost will be, according to the estimates, something like $120,000,000, making a total of between $585,000,000 and $595,000,000.

Mr. HOMUTH: Does that figure for the air training plan include the capital expenditure on the fields and so on?

Mr. RALSTON: That would include the capital expenditure on the fields. The cost of the air training plan is lumped, as I think was said by the Prime Minister yesterday, at something like $600,000,000. I believe he was a little modest in that estimate, but there again officers find it very difficult, in forecasting a programme, to set down the cost of fields and buildings covering a long period. May I say here to the hon. member for Greenwood (Mr. Massey) that I have a great admiration for the air force. There is one branch of the force which I think excelled themselves; along with Air Vice-Marshal Croil, they took part with the staff officers from the air ministry of the United Kingdom, Australia and New Zealand in working out this plan and endeavouring to make the most effective programme and the best estimate possible. These men made no less than three different plans and estimates, necessitated by variations in the plan which resulted from the fact that Australia and New Zealand took over certain portions of the plan which originally were

expected to be carried out here, but which they preferred to do at home, particularly in connection with the elementary training. This made readjustments necessary and required the preparation of completely new estimates. As I was saying, that amounted to between $585,000,000 and $590,000,000. There were also certain administration services.

And now, as the Prime Minister announced yesterday, there has been authorized the formation of a Canadian corps. I am sure there are many people in the country, and possibly some members of this house—and I am one of them—who did not realize and possibly do not realize yet what that involves in the matter of expenditure. The formation of a Canadian corps, as I have learned, is not simply the putting together of two divisions and having a corps headquarters. The formation of a Canadian corps means the augmenting of those divisions by corps units. By the way, I understand each division contains no less than forty units, although most of us think of a division as being composed of nine or twelve battalions with a certain number of ancillary units such as army service corps, ordnance and signallers, et cetera. As I was saying, the formation of a corps does not mean simply putting together those two divisions; it means the provision of a number of units known as corps units, which operate with the corps as an integral and cohesive body, which, if the two divisions were operating in another corps, would normally be supplied by that corps command, whatever it may be. When I tell hon. members that the additional cost due to the forming of a Canadian corps complete with all ancillary units does not mean just the cost of a corps headquarters, but means, according to the estimates given me, between $50,000,000 and $65,000,000, they will realize that the decision which was made by the government involves a substantial further financial commitment. In addition, as the Prime Minister has indicated, it has been decided to mobilize a third Canadian division. The estimated cost of that third division for one year of service in Canada, in England and overseas, is in the neighbourhood of $38,000,000. So that the $591,000,000 may be increased by about another $100,000,000, and then there are amounts to be provided for other departments for expenditures connected with the war.

It may be said that possibly this bill does not provide sufficient money. Those of us who are on the government benches know that as the result of communications we have sent overseas other suggestions have been made and other matters are under consideration by way of cooperation. At the moment, however, this $700,000,000 is the amount for which we are asking parliament.

I was indicating that it was difficult to make estimates in the matter of military units. Let us take one example in connection with the air force, which has been referred to by the hon. member for Greenwood. The initial cost of a fighting squadron, including pay and allowances for one year, without active operations, is $2,500,000; but the cost of keeping in the air in actual operations those twelve or sixteen machines depending on the sort of squadron it may be, is something like $10,000,000 for the year. The initial cost of a bomber squadron is in the neighbourhood of $2,700,000, while the cost of keeping those machines in the air and restoring wastage for the period of a year is something like $23,000,000. So, as the house will understand, in estimating the cost one has to take some hypothetical figure and some hypothetical view as to what will be the degree of activity of that particular unit.

The house may wish to know the expenditures from September 1 to March 31. For this period the total payments on defence account were $112,000,000. The total payments to May 15 were $136,000,000. The commitments from September 1 to March 31, in addition to pay and allowances, amounted to $267,000,000.

Mr. MacNICOL: Up to what date?

Mr. RALSTON: From September 1 to March 31.

Mr. HANSON (York-Sunbury): Could the minister give us any break-down of that expenditure?

Mr. RALSTON: I have a break-down here.

Mr. HANSON (York-Sunbury): I do not want to give the minister too much trouble.

Mr. RALSTON: I had thought those particulars might be given when the bill reached committee, but I am perfectly willing to give them now if my hon. friend prefers.

Mr. HANSON (York-Sunbury): I will leave it to the discretion of the minister.

Mr. RALSTON: Then perhaps I can leave it until the bill reaches the committee. I have already stated that the commitments from September 1 to March 31 amount to $267,000,000. The degree of financial obligation which we undertook can be perhaps realized to some extent by comparing these appropriations with those for the last war. Please, Mr. Speaker, do not let anyone think I am making any invidious comparison between our efforts in the last war and our efforts

in this war. What I am pointing out is that an entirely different situation exists to-day. In the last war our contribution obviously was largely represented by man-power. This time it is represented by man-power and machines; by a naval force of from 6,000 to 10,000 men as compared with 1,500 in the last war; by an air force, which of course did not exist at all in the last war, and by the air training scheme, which of course is entirely new. In the last war the appropriation that was requested by, I think, the Prime Minister of the day, who sponsored a similar bill, was $100,000,000. This year we are compelled to ask for $700,000,000 for practically the same period. May I add also, in order to show the financial obligations we have undertaken as compared with those of the last war, that to-day the dollar is worth more in terms of purchasing power than it was at that time.

I do not think I need go into further detail in connection with this resolution. I have tried to give a running picture of how the amount is made up and have indicated sketchily the differences in the various departments of activity in this war as compared with the last war. There has been some talk of red tape. I think my colleagues will agree, as I believe the house would agree if it knew the circumstances, that every endeavour has been made to shorten not only departmental but also official procedure in every way. In my capacity as Minister of Finance I have not hesitated to sign my name to authorizations which I believed would be honoured by this house and by the Canadian people, authorizations covering commitments extending beyond the first year of war and even beyond the first fiscal year, where that seemed to be necessary in order to promote, speed up or produce greater efficiency and greater economy in the production of war materials. Speaking of commitments, I think I should remind the house that the amount provided for in this bill does not by any means represent the total economic effort of Canada.

As the house already knows, we have endeavoured to assist the United Kingdom in connection with the purchase of goods from this country by providing here a market for the acquisition or, as we sometimes call it, the repatriation of Canadian securities held in the United Kingdom. This means that we are furnishing an internal market to take the place of an external market for those particular securities, and providing the funds necessary therefor.

The first operation provided for the repatriation of something like $91,000,000 in securities. I might say that since that time there has been a substantial accumulation of sterling, and only a few days ago I gave authority for a still more substantial accumulation of sterling on the part of the Canadian government, looking forward to a further repatriation effort which would be made in the not far distant future. In the meantime, as members well realize, that accumulation of sterling provides the funds necessary to assist in the purchase of Canadian goods.

Mr. HANSON (York-Sunbury): Before the minister leaves that question, would he be good enough to explain a point to the house? As I understand it, these securities are purchased with government funds with the idea of disposing of them in Canada.

Mr. RALSTON: No; those are government securities which are redeemed. The particular issue with which we dealt before was one which was callable.

Mr. HANSON (York-Sunbury): Your own obligations?

Mr. RALSTON: Yes.

Mr. HANSON (York-Sunbury): I thought you were dealing with something along the lines of securities of the Canadian Pacific Railway Company.

Mr. RALSTON: No. They were dominion securities which were payable in England, and callable.

Mr. HANSON (York-Sunbury): When the minister spoke in the first instance, he did not distinguish between our indebtedness and other indebtedness.

Mr. RALSTON: They were dominion securities payable in England, and callable. They had been registered, and were subsequently requisitioned by British authorities on our suggestion, and the Dominion of Canada provided the money necessary to retire them.

Mr. HANSON (York-Sunbury): That clarifies the situation.

Mr. RALSTON: I am glad my hon. friend reminded me of that point, because there is another matter along similar lines I should like to mention to the house. I may say that in addition to that, in order to assist, notwithstanding our foreign exchange control regulations regarding the transfer of foreign balances held by non-residents, we concurred in the requisition by British authorities, shortly after the outbreak of war, of balances held by United Kingdom citizens in Canada. That provided further Canadian dollars for the British authorities.

Mr. HANSON (York-Sunbury: That was their own.

Mr. RALSTON: Yes, their own, and held by their own citizens. A few weeks ago we authorized an arrangement—and this brings me to the point mentioned by my hon. friend—whereby Canadian securities held by British investors were allowed to be sold in this market, subject to permit issued by the exchange control authorities of the two countries. This gave the United Kingdom government the benefit of the Canadian dollars provided by the Canadian market for the purchase of these securities.

Mr. HANSON (York-Sunbury): Which would be at the disposal of the British government.

Mr. RALSTON: Yes. In other words, it was the repatriation of privately-held securities as compared with the repatriation of publicly-held securities. As I have said, that repatriation programme means of course that that much more money has to be found in the Canadian market in order to provide Canadian dollars for the purchase price of those securities which previously had been held in the United Kingdom market.

Mr. HANSON (York-Sunbury): Of course that is a refunding operation.

Mr. RALSTON: My hon. friend will understand that it was a refunding operation well in advance of our obligation to refund, and at a time when facilities for refunding are, in view of our war necessities, much more limited.

Mr. HANSON (York-Sunbury): There might be a profit in the matter of exchange.

Mr. RALSTON: It is at a fixed rate, an arranged rate. I can say to my hon. friend without hesitation that our friends in the United Kingdom have been exceedingly appreciative of this method of providing Canadian dollars for their purposes.

One other matter I should like to mention is the suggestion which appeared in one of the morning papers to the effect that the entire payment of this year's war bill will be by borrowing. This bill does not mean that, by any means. I wish to assure the house and the country of that fact. It is true that in accordance with the last paragraph of the resolution provision is made for the issuing of bonds and the borrowing of any sum up to the amount stated. But that is only to assure us of adequate authority for that purpose. Our policy—and I believe it is the policy wanted by the people of Canada—is that which was announced at the first session after war was declared, namely, a policy of paying as you go, so far as that may be found possible. The system of raising funds for purposes of the war will be by taxing taxation, and then by borrowing any portion of our war expenditure which it may be found necessary to finance in that way.

Mr. HANSON (York-Sunbury): Would the minister permit a further question? Has the government formed any estimate of the national income?

Mr. RALSTON: Yes. Perhaps, however, my hon. friend would permit me to deal with that when we are discussing the budget.

Mr. HANSON (York-Sunbury): Of course I am not trying to embarrass the minister.

Mr. RALSTON: I understand that. It will be understood that that question involves a consideration of the full commitments of the country, for both war and civil expenditures. I would prefer to deal with that matter when we come to the budget.

Mr. HANSON (York-Sunbury): Very well.

Mr. RALSTON: I know my hon. friend and other hon. members will not expect me to go farther by way of mentioning the methods by which we will raise this amount of money, and particularly in connection with matters of taxation because that is properly a budget matter.

Mr. HOMUTH: Could the minister tell the house how much we may have to borrow?

Mr. RALSTON: No, I am not in a position to say that at the present time.

I have given a brief outline of what is contained in the measure, and the way the amount has been made up. We have been asked, and I have been asked, what the extent of our war effort is to be. I have said before and I say it to-day—and without any heroics it is said in the words of the speech from the throne—that the limit of Canada's war effort is only the limit of her strength and of her capacity. I am sure the government and the house believe that Canada wants to put every ounce she can muster into the war, and that in trying to estimate and appraise her capacity every true Canadian will approve the principle of not how little, but how much. It is in that spirit that we have approached the problem of providing funds for the war effort outlined yesterday by the Prime Minister. As I have indicated already, as a result of communications we have sent to the United Kingdom further measures are contemplated. I can only assure the house that if it is seen fit to give this vote of credit or appropriation to the government, it will be used in the best way which earnest men can devise, not in any spirit of complacency but as men who realize only too vividly the seriousness of the responsibilities

resting upon their shoulders, in an endeavour to make as definitely effective a contribution as possibly can be made to the success of the cause which is at stake in this the greatest world crisis of all time.

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, we on this side of the house readily acceded to the request of the Prime Minister (Mr. Mackenzie King) to discontinue the time-honoured custom of replying to the speech from the throne because we were informed that we would have other opportunities. The consideration of this resolution to provide the Minister of Finance (Mr. Ralston) with additional funds presents such an opportunity, of which I shall take advantage for a few moments. I may say at once, speaking for myself and, I feel sure, for my associates, that we will vote any amount of money asked for to enable Canada to make the maximum war effort and to get our factories busy with the manufacture of the implements of war.

Those of us who, like myself, are newcomers to this house enter upon our duties under conditions that are the gravest the parliament of Canada has ever been called upon to face. Even in the darkest days of the last war the danger to Canada seemed much more remote, and indeed was more remote than it is to-day. Canadians, in company with all right-thinking people of the world, are in the throes of a terrible awakening. Even in the long period of foreboding when the vileness of the nazi ideology and the ruthless brutality of nazi aims were becoming more and more apparent, Canadians were slow to visualize the menace that overhung the destinies of free and enlightened people. I fear even at the time when this new parliament was elected many were cherishing the conviction that the nazi danger was a nightmare that would pass away, so far as the British empire and the western hemisphere were concerned.

To-day we are beginning to recognize realities. Britain was and is our shield, but hour by hour the tidings show Britain to be fighting with her back against the wall. Easy-minded persons who had said repeatedly, "the United States will protect us anyway," are faced with the sharp realization that the United States are themselves alarmed for their own safety. Their president has not hesitated to sound the note of alarm. All free peoples are face to face with a situation in which lethargy and half-hearted measures may mean their doom.

We, the elected representatives of the people of Canada in parliament assembled, have a responsibility second only to that of our soldiers in the field. Throughout this broad land the people who voted for us, aye, and the people who voted against us, look to us for concentrated effort and for comprehensive measures more potent than have so far been forthcoming, in behalf of our national security and in behalf of the cause of freedom, justice and Christian civilization. Ours is a sacred task, a consecrated task. God forbid that in future days it should be on the lips of any of our own sons to say that in this grave crisis Canada failed in her duty and failed to play her part manfully because of the weakness of her government, because of the weakness of her parliament.

An awakened people look to us now, irrespective of our party affiliations, to see to it that no stone shall be left unturned and no ounce of energy left unemployed to save Christian civilization in the death grapple in which it is engaged. I suppose that there is no member of this house who has not received messages asking, "What is Canada doing?" If by the time the present session ends we have not provided a full and satisfactory answer to the demand of the people, we shall indeed have a bitter ordeal to face. Every act of government and parliament from now onwards must be directed toward the single aim of helping to make victory complete, or we shall experience disgrace.

In common with many members of this house, and with Canadians from sea to sea, I welcomed the words of the hon. member for Vancouver North (Mr. Sinclair) when on Friday last he sounded a note of rebellion against the attitude of complacency which so far has marked Canada's dealings with the problems of this war. The hon. member, as by right, voiced the high aspirations of the youth of this country. And, let me add, he spoke also for a myriad of others no longer young.

The Prime Minister and his colleagues, as was natural, have received many congratulations on their victory of March 26. It brought them an immense majority and congratulations were no doubt in order, but let me warn them that those congratulations will speedily turn to imprecations if there is a continuance of that complacency. I have no desire to minimize the burdens the government has to bear, but I would be remiss in my duty if I did not dwell on the fact that it must now face an awakened public consciousness of danger that was torpid when the last parliament was dissolved suddenly in January. In March the people of this country voted blindly and without clear information as to what the government had done to maintain the great and glorious name Canada won for herself in the last war through the glorious efforts of

her soldiers. Voting blindly, a majority of the electors of this country resolved to give the administration a new lease of power. It was a vote of confidence that embodied a great trust.

It is the duty of the government to see to it that that trust is not betrayed. Nor should it be forgotten that it was by no means a unanimous vote of confidence. Nearly 2,000,000 electors who voted for opposition candidates were clearly dissatisfied with the manner in which the military effort of this country was being organized and pressed. Since Hitler's blitzkreig in Denmark and Norway began early in April they have been more than ever dissatisfied.

Every member of the house, no matter to what party he may belong, is face to face with an electorate which is demanding a great deal more information than the government has vouchsafed to it and more information than private members have so far been privileged to receive. After eight months of war very few of us know what is actually the exact position of this country as a belligerent. In the press, in public assemblages, and on street corners questions like these are being asked: What has been done about recruiting since it became clear that Hitler had embarked on a total war? Was the empire air training plan which was advertised to the world last autumn pressed with all speed, and how is it getting on? How far have we advanced with the second division, which months ago we were told would shortly reinforce the first? Is Canada really mobilized, in both a military and industrial sense? When I was in my home city over the weekend I was asked questions such as these, and, of course, I had no answers to give. The sooner the government provides the answers fully and candidly, the better for the morale of this country.

It is interesting to those of us who sit on this side of the house that, through pressure of events elsewhere, the opposition has suddenly assumed great importance in the public mind. Though months ago many were talking as though critics of a government were unnecessary in times like these, now, on all sides, we are told that an efficient and vigilant opposition is necessary if the government is to be spurred on to the necessary effort. It is being impressed on us that our responsibility is a grave and patriotic one. I think I speak for my colleagues when I say that we shall endeavour to live up to that responsibility, under the distinguished and able parliamentarian whom we chose as our house leader and who yesterday justified the wisdom of our selection.

Dependence on our vigilance and patriotism is being expressed in many quarters. It is, I take it, a symptom of the apprehension which many Canadians feel. There is a much deeper realization that the task of winning this war for civilization will be longer and heavier and more difficult than many at the outset anticipated. The possibility that through lack of energy and initiative victory may be withheld is a thought that, while it may chill the hearts, inflames the energies of a people such as ours. The fear that Canada may be found wanting is a more intimate one. People are dismayed by the thought that Canada has not, so far, done its share to avert the fate which awaits all decent people in this world should the Nazis triumph.

The public demands assurances, not by promises but by action, that whatever sins of omission or commission may have occurred in the past, our effort shall be wider in scope and more intense in efficiency and resolve. True patriotism at the present time visualizes the Canadian nation as a young and virile people engaged in a righteous campaign for the salvation of all that is precious in human existence. There is alarm lest Canada has not been living up to the full glory of that picture. The duty that lies before government and parliament is to quell such alarms; to make our effort tally with that vision.

Canadians have not as yet had it made clear to them in what directions and to what extent they can make their contribution effective. It was hinted from governmental quarters that a different kind of assistance would be needed in this war. If the conditions created by new methods of warfare demand new and different measures, the public unrest should be quelled by knowledge of what the new requirements are. Why was the public kept in the dark so long? The government cannot escape the charge that its policies and administrative methods have aimed at keeping the lid on public enthusiasm. Let there be an end of this. In the face of hourly news from Europe, public sentiment is boiling over. An arbitrarily limited assistance in the face of danger is repugnant to all our thoughts.

A check has been put on recruiting. Men anxious to serve in any capacity have had it coldly intimated to them that this desire is misplaced enthusiasm. The government certainly has it in its power to create channels for the energies of those who wish to serve. Britain is making use of every man and woman available for service. Why does Canada lag behind? At least the government

can provide camps for voluntary training where young men could find outlets for their patriotic ardour by drilling in their spare time. And who is so bold as to say they shall not be needed?

There is another point of paramount importance. While we must spare nothing to organize the most complete war effort of which Canada is capable, we should pursue a policy of rigid economy in respect of non-essential war-time work. This is a vital consideration. The people have been warned of the necessity for war-time thrift, but unfortunately there has been little evidence that the government is pursuing a like policy of thrift in non-essential expenditures. It is to be feared that political promises in connection with projects initiated in peace time but non-essential now, have overridden counsels of economy. This is no time to be building post offices and railway stations, when England is calling desperately for men, guns and aeroplanes.

The state of the public mind demands clear information as to what measures the government is taking to coordinate war administration and deal with the problems of military organization, problems which the cabinet has neither the time nor the technical knowledge to solve. I beg leave to suggest that there be added to any advisory board of military, naval and air experts that may now exist a small group of members of the Senate and Commons who have had war experience in the past. Such a body would, I feel, be of real assistance in coordinating our war effort and facilitating business. Moreover, I urge on the Prime Minister the early appointment of a Canadian Minister of Defence, overseas, who shall be in continuous consultation with British military authorities. This I believe is essential. The transatlantic telephone has its uses, but it cannot alone suffice in the present crisis.

In conclusion, let me say that I am speaking for the first time in a tribunal hallowed by the memories of public men who served their country during the past eight decades, men whose names are bound up with the history of our nation. In seeking election I had no political ambition, no interest but to serve the cause of helping to stimulate a total war effort by this country.

I said on election night that the government would have my support in all sincere and efficient efforts to achieve that aim, and, Mr. Speaker, I repeat that assurance on the floor of this house.

At six o'clock the house took recess.

[Mr. Bruce.]

After Recess

The house resumed at eight o'clock.

Hon. NORMAN McL. ROGERS (Minister of National Defence): As the first speaker from this side of the house to follow the hon. member for Parkdale (Mr. Bruce), I should like to offer him my congratulations upon his initial participation in the debates of this house. I feel I can offer those congratulations no less sincerely because I dissent very strongly from some of the conclusions which he expressed in the course of his address. As members of the house are aware, the hon. member for Parkdale had a long and honourable public career, in the medical profession as a distinguished officer of our medical services in the last war, and later as Lieutenant Governor of Ontario. I am quite sure he will bring distinction and honour both to himself and to his party as a member of this house. Those of us on this side who must differ from him in his political views have the highest respect for the patriotic motives which prompted him to stand as a candidate for election to parliament in these troubled times.

Before I proceed with the main portion of what I had intended to say this evening, I should like to make an appeal to this house to avoid where possible anything in the nature of recrimination. Some idle words have been spoken in this house regarding the alleged complacency of members of this government in the face of the present crisis.

Mr. HANSON (York-Sunbury): No, before the crisis.

Mr. ROGERS: I wish to say to members of this house that no men, whatever their party affiliation might be, could hold positions of responsibility at this time without having a keen sense of duty and without being desirous at all times to put forth the maximum effort which this country can summon to the aid of the allied powers. I wish to rebut most strongly any suggestion of complacency or indifference directed against members of this government. After all, surely we can remember the issues at stake in this gigantic struggle. From the outbreak of war and long before, when with clear vision he saw how events were tending, the Prime Minister of Canada (Mr. Mackenzie King) has given of his utmost at all times to organize a maximum war effort on behalf of the Dominion of Canada. And why should it be otherwise? We know the issues at stake in this struggle; we know that our political freedom is in jeopardy; and I ask members of this house who are familiar with the history of Canada

whether one who bore the name of William Lyon Mackenzie could be indifferent to those issues at such a time as this.

I turn next to my colleague the Minister of Justice (Mr. Lapointe). Has this house forgotten, has this country forgotten that not long ago the Minister of Justice risked his political future in order to bring a united Canadian sentiment behind a vigorous war effort on the part of the dominion? Has this house forgotten, has the country forgotten that in that crucial struggle which was essential if this country was to put forward a united effort, there stood by his side his colleagues from the province of Quebec, the Minister of Public Works (Mr. Cardin) and the Postmaster General (Mr. Power), who is soon to be Minister of National Defence for Air.

I turn next to the Minister of Finance (Mr. Ralston). It so happened that two of my brothers served under his command in the last war. Had it not been for a stubborn medical board I, too, would have served under his command. Is there a single member of this house who will charge the Minister of Finance with complacency or indifference in this war?

I turn next to the Minister of Mines and Resources (Mr. Crerar), who was a member of the Union government in the last war. Is there a member of this house who is prepared to say that the Minister of Mines and Resources would be less zealous in this war than he was in the last?

I turn to the members of this government who served in the last war—my hon. friend the Minister of Pensions and National Health (Mr. Mackenzie) and my hon. friend the Postmaster General—

Mr. MACKENZIE KING: And yourself.

Mr. ROGERS: Can it be said for a moment that those who form this government, those I have named, and every other member of this government, have not been as ready and willing to put their utmost effort into this struggle as any other group of men in any other part of this house would be under present conditions?

And so I would suggest to the house at the outset to-night, particularly in the face of the grave crisis which confronts us, that we try to concentrate upon those things that bring us together and put to one side for a while those things that must sometimes divide us. I find no fault with criticism; let there be criticism, but let it be directed to the policies of this government and not at any time to the motives of its members.

If I interpret correctly the mood of this house, there is no desire that any one at this moment should spend a great deal of time in a general review of what has happened in the past. I do not intend to detain the house at great length. Much of what I had intended to say has come to have little relative importance in relation to the great events which are taking place at this day and hour. At the same time, I did feel it my duty and I believe that it would be perhaps the wish of the house that I should make some report upon my recent visit to England and France as one who for the time being holds the position of Minister of National Defence, and should give at least in broad outline some of the measures which have been taken by the government in order to meet the present grave situation. I say I shall give merely an outline of this, because it does seem to me that no extensive review on my part would wholly meet the situation. I assume that within a short time this resolution will be before the house in committee; it will then be within the power of any hon. member to address to the government questions respecting those various aspects of the war effort in which he may be particularly interested. I cannot promise to answer at once all questions that are directed to me. I have not been able as yet to charge my memory with all that has happened during the period of my absence. I can tell the house this, that I feel it my duty as Minister of National Defence, to avoid giving any answer here unless I am convinced that the answer is accurate. I shall therefore ask the indulgence of the house from time to time when I say that I will take a question under advisement and will secure the information as soon as it can be obtained.

Yesterday the Prime Minister gave to the house a number of the decisions which have been reached by the government after consultation with the government of the United Kingdom in order to meet the urgent needs of the present situation. I wish first to comment briefly upon some of those decisions. Hon. members may recall that the Prime Minister intimated that the government have decided to advance the date of dispatch overseas of a second division of the Canadian Active Service Force, and also to advance the date of the dispatch of such further reinforcements of the first division as have not already proceeded overseas. I can tell the house that the United Kingdom government, having been advised of this decision on the part of the Canadian government, expressed its warm appreciation of it, and its readiness to facilitate as quickly as possible the movement of the second division to the United Kingdom. That does not mean, nor would I have it thought that it meant, that the second division will be able to proceed overseas immediately.

The transport problem is one of considerable difficulty. I simply tell the house that this decision has been received most warmly by the United Kingdom government. I also am in a position to announce that we have just received advice from the United Kingdom that a further contingent of Canadian troops has arrived in the British Isles. That contingent includes certain ancillary units and also further reinforcements of the first division.

The government have also decided to push forward the recruiting of reinforcements for the second division of the Canadian active service force, who will follow the first division overseas at the earliest possible date. As far as recruiting for reinforcements is concerned, that type of enlistment is carried out through the depots of the various divisional units, and the men proceed from these depots to the training centres and thence to the holding units for the reinforcements in the United Kingdom.

The government have also decided to form a Canadian corps in the field in accordance with arrangements which have been discussed with the British war office. As stated by the Prime Minister, this corps will include, in addition to all divisions, their ancillary units and the necessary additional corps troops, which will involve the dispatch overseas of several thousand men beyond those already mentioned. Instructions were sent out from the Department of National Defence to-day, following immediately after the statement made by the Prime Minister yesterday, that recruiting should commence at once for those ancillary units which will be necessary in due course for the formation of a Canadian corps in the field. It was also intimated by the Prime Minister that the government have decided to undertake the raising of a third division to be available for such service as may be required in Canada or overseas.

May I say that our method of recruiting during the present war differs in a number of material respects from the method of recruiting which was followed in the last war. At that time, as hon. members are aware, units were authorized, and commanding officers appointed, and these commanding officers were frequently entrusted with the duty of recruiting their units up to strength. Under a system of that kind, in the very nature of things recruiting was in a sense competitive, and perhaps had a certain appeal to our people because it was of a competitive nature. There are few of us here who cannot remember the recruiting meetings, the marching bands and the recruiting sergeants seeking men to enlist in their units. There is no doubt that such a method of recruiting had a strong popular appeal. At the same time I must advise the house that it is not a method of recruiting that fitted into the scheme of mobilization which had been worked out carefully by officers of the Department of National Defence prior to the outbreak of the present war.

In the present war, as members of the house are aware, each division includes a number of selected non-permanent militia units. The divisions once authorized, the non-permanent militia units once selected, become themselves as it were the recruiting centres for further enlistment. That course was followed with respect to the first and second divisions, and the same course will be adopted with respect to recruitment for the third division. I am able to tell the house that the military members of the defence council have been giving immediate attention to the selection of non-permanent militia units which will comprise the third Canadian division. They will be announced as soon as possible, but before it is possible to announce completion of the entire third division we may be in a position progressively to begin recruiting for various units as those units are selected across the country. I say this to guard against any suggestion that recruiting can begin immediately for the third division right across the country. As I said a moment ago, with respect to ancillary units that can be done and has been done. With respect to the third Canadian division we shall lose no time that can be saved in selecting the units and authorizing recruiting in all the provinces of Canada.

Other decisions announced by the Prime Minister were as follows: To assign at the request of the United Kingdom government certain naval and military formations to active duty in the Caribbean and north Atlantic area. I doubt whether it would be prudent on my part to expand this statement at the present time. As expressed, I believe it indicates clearly to this house and to the country that this government with respect to its naval and military dispositions has been and is acting and will continue to act in the closest consultation with the government of the United Kingdom.

It is also announced that this government will dispatch overseas No. 112 army cooperation squadron as a reserve for No. 110 army cooperation squadron of the Royal Canadian Air Force now overseas. That indication of the intention of the Canadian government has also been received with warm appreciation by the government of the United Kingdom.

Finally it was indicated by the Prime Minister that the government are determined to adopt every feasible method of accelerating the output of pilots and air crews from Canada for service in the field at the earliest possible date. It was indicated by him that certain methods had already been formulated by the Canadian government both to accelerate and to supplement the joint air training plan in Canada in order that pilots, observers and air gunners might be made available more quickly for active service. Among these steps I should indicate particularly measures already taken to expedite the preparation of aerodromes and hangars in advance of the schedules which formed part of the British commonwealth air training scheme.

Before I leave this aspect of our war effort, and in particular before I pass from the extent of our military effort, I should like to place briefly before the house the actual number of men who have been enlisted in the Canadian active service force since the outbreak of war. The table from which I shall read is one which, with the consent of the house, I shall place upon *Hansard*. It indicates the expansion of our military effort from one period to another during the last nine months. First I come to the strength return as of September 6, 1939. If I remember correctly, this was four days before this government actually declared war, and while we were still in what might be termed the precautionary stage of mobilization. The first division and units mobilized therewith numbered 5,588, and the second division, 4,030. Manning coast defence and anti-aircraft defence were 7,605, and guarding vulnerable points, 5,655.

Mr. HANSON (York-Sunbury): At this moment?

Mr. ROGERS: As of September 6, actually before Canada had formally declared war. The total for this precautionary mobilization at that time was 22,878. I come next to September 24, 1939, two weeks after Canada had formally declared war. The first divisions and units mobilized therewith numbered 20,017. The second division totalled 19,176; manning coast defence and anti-aircraft defence, 10,650; guarding vulnerable points, 6,161; miscellaneous, 813, or a total of 56,817 troops mobilized in Canada and either on duty or in training two weeks after this country was at war. By November 1, 1939, the total in Canada had risen to 61,639. This was the date when recruiting was resumed in all arms. The first division was followed by certain ancillary troops which were chosen to proceed with that division. On January 15 of the present year, the date set for the opening of training centres, 4,728 reinforcements were ordered in for training, as a first quota. In this connection I should say to the house that it is customary to send first reinforcements forward with the division. Generally speaking, those first reinforcements amount to ten per cent of the numerical strength; and this ten per cent, which as I have said constitute the first reinforcements of the various units, commonly remains at the base until required for the purpose for which it was enlisted. The figure I have just given, however, refers to additional reinforcements for the first division, who were enlisted here and were to receive a certain amount of training here before proceeding to join the first division overseas.

Since January 15, 1940, in subsequent quotas according to wastage figures and necessary training periods, the following quotas have been ordered to report to training centres:

	All ranks
February 1	1,474
February 24	1,575
March 22	1,372
May 17	1,809
June 7 (ordered for 1st Division)	1,730
(ordered for 2nd Division)	1,308

So the total number summoned for reinforcement purposes, chiefly for the first division but partly for the second division as well, is 14,016 at the present time. Therefore I do not think it can be suggested by any member of this house that the government has been at all negligent in providing reinforcements for our first division. As a matter of fact, while I was in England a short while ago I discussed this question of reinforcements and asked if the number we were sending forward appeared to be adequate for anticipated needs. I was assured that this was the belief of those who have the military responsibility in relation to the first Canadian overseas division. I need not assure the house that if at any time the numbers here indicated are proved to be inadequate we will at once take the necessary measures in order to enlist the additional reinforcements and send them forward without delay.

This means that the first division has had its replacements due to pre-battle wastage made up, and by the time the division is expected to strike battle casualties there will be, in addition to the first reinforcements with the division, three months' trained reinforcements available, with others doing the required four months' training. In addition to this, the second division reinforcements will start training on June 7, and will thus build up the required reserve as in the case of the first division.

Between November 1 and February 18 isolated units were formed and personnel brought into establishment as policy demanded. The strength on February 18—and I am speaking now of the Canadian active service force—was 63,518, excluding the reinforcements already mentioned. On this date recruiting was opened to tradesmen and keymen for the second division, and by March 18 the strength, less reinforcements, was 64,501. On March 18 recruiting was opened completely in the second division and certain other units dictated by policy, bringing the strength on May 20 to 72,013, exclusive of reinforcements. The grand total on May 20 was 83,394 all ranks, of whom first division and certain ancillary troops totalling 25,692 are overseas.

I said a moment ago, Mr. Speaker, that I would speak briefly of my recent visit to England and France. In doing so, of course, I must confine myself to those features of my visit which can be disclosed at the present time and which may be of some immediate interest to members of the house. I might say that my purpose in going to England at this particular time was twofold. In part it was due to an invitation extended by General McNaughton, and a pledge given by myself that if at all possible I would visit the first Canadian division before it should proceed to active service in France. Apart from that, there were certain questions outstanding between this government, and, more particularly the Department of National Defence and the several defence ministries of the United Kingdom government. There appeared to be a distinct advantage in having certain of these questions discussed at close range, as it were, in order that we might come to final conclusions. There was also a natural desire on my part, having regard to my responsibility, to see with my own eyes how the machinery of cooperation was developing in the United Kingdom.

Those of us who are familiar with events of the last war will recall that at times there was serious and even dangerous friction between the various elements of the Canadian expeditionary force. I had no reason to believe that such friction had developed or could develop in the present instance, in view of the close relationship existing between the highest officers representing Canada in the United Kingdom. At the same time I felt it would be extremely useful if I could confer with those who were charged with varying degrees of responsibility, in order to see to it that they in their work were attaining that maximum of cooperation which we would desire.

In the course of my visit I was accompanied by Major General Elkins, Master General of the Ordnance, and by Major General Odlum, who has recently been appointed as general officer commanding the second Canadian division. I cannot speak too highly of the services rendered during our mission by these officers. The Master General of the Ordnance had numerous conferences with the officials of the War Office and the Ministry of Supply. His assistance was also invaluable in the discussions between the United Kingdom government and myself in connection with the formation of a Canadian corps. I can also say to the house that his presence in England at this particular time has resulted in our receiving very full and detailed information on all questions of equipment and supply.

As hon. members are aware and as, no doubt, my colleague the Minister of Munitions and Supply will indicate at a later time, of necessity there has been continuous consultation between the Ministry of Supply of the United Kingdom and its Canadian and American agencies, and our own supply agencies in this country. From time to time we have made certain proposals to the government of the United Kingdom in the hope that some of our industrial capacity in Canada might be put to indefinite production of certain types of necessary equipment. Up to the time I left we had not succeeded entirely in obtaining that objective. We put forward the proposal, on what we felt was sound ground, that certain items of equipment for the first Canadian division were being supplied by British manufacturers—and necessarily so in some cases, having regard to the particular type of heavy equipment. We felt it only reasonable that we might be able to work out with them some kind of exchange basis whereby in return for these items of equipment supplied to us for our use we might supply items of equipment beyond the requirements of our own division, these to be taken in replacement for the equipment supplied to us overseas. I believe that as a result of our discussion a few weeks ago definite progress was made towards the kind of agreement we have contemplated. Having regard to events in recent days, one only wishes that such an agreement had been found possible of achievement some time before.

In addition to attending many of the conferences, Major General Odlum spent as much time as possible with the Canadian troops at Aldershot. In addition to that he proceeded to France and was in close touch there with the senior British officers on whom the responsibility of defending certain portions of the French frontiers have been placed. The

experience he gained in this way will be invaluable, I am sure, not only to himself, but to the Department of National Defence. It will also be of distinct advantage in training and organizing the second Canadian division. Although I would not for a moment seek to claim any foresight in the matter, in view of what has happened in recent weeks it is peculiarly fortunate that General Odlum was able to visit Aldershot, to confer with General McNaughton, and to make certain preparatory arrangements for the reception of the second division there. It is fortunate that he has been able to see the conditions under which in due course the Canadian troops will be serving in France.

At this time I should like also to add some words of very sincere appreciation of the work being done by the officers and men of the first Canadian division, and ancillary troops, under the inspiring leadership of General McNaughton and members of his staff. I cannot use any other phrase which to me describes more aptly the influence which General McNaughton has exercised over the men of the first Canadian division. I would ask the house to remember that before the first division embarked it had been scattered across this country in separate units, as it were, and it did not have that opportunity of close association which builds up coherence and esprit de corps. General McNaughton actually served as inspector general of these various units in Canada, before they embarked for overseas. He did not assume his command until the division had actually been established at Aldershot in England. But from that time forward I know something of the tremendous energy and splendid vision he has put into the organization of this first Canadian division. I have felt that at the very first opportunity I should say to members of the house how greatly we are indebted to General McNaughton for the services which thus far he has rendered to this country.

I was fortunate in being able to visit Aldershot on a number of occasions and to watch many of the units undergoing training. Ceremonial parades were reduced to a minimum, and inspections consisted very largely of visiting the training grounds in the Aldershot area, and seeing the units of various kinds undergoing active service training. Infantrymen were learning gas drill, bombing, wiring, trench digging, bayonet fighting and rifle and machine-gun practice. Signal units were seen carrying out field operations. It was the same with medical units, artillery units, army service corps units and engineering units. All were engaged in carrying out practice work of the kind which will be required of them later in the field.

I was impressed, as any hon. member would be impressed, by the keenness and intelligence of our officers and men, by the remarkably fine spirit which pervaded all our units and the vigorous determination with which they seemed to wish to train themselves for the task which lies ahead.

I should like at this point to refer also to an incident reported already in this country, but which I think has become of interest and significance at this time. I speak of the inspection of the first Canadian division, particularly the 48th Highlanders of Toronto, by the Earl of Athlone, the Governor General designate of Canada. I was in Aldershot on the occasion of that inspection and at the request of General McNaughton was able to receive him on behalf of the Canadian government. In view of the distinguished military service of the Earl of Athlone in the late war, it seemed to me that he could have had no more appropriate introduction to his official duties in Canada than the inspection of those who now represent Canada overseas in this struggle for freedom. I might say that at the close of the interview I received a letter from the Earl of Athlone in which he spoke in the very highest terms of the bearing, fitness and keenness of the Canadian soldiers of our first division and ancillary units.

Later I had the pleasure of visiting No. 110 army cooperation squadron of the Royal Canadian Air Force at its aerodrome in the west of England. As members of the house are aware, this is the first representative squadron of the Royal Canadian Air Force ever to go overseas. I had seen the squadron before its departure from Canada and there were no doubts in my mind as to how they would conduct themselves in England. However, it was a real satisfaction to hear from the lips of the commandant of the district that this squadron of the Royal Canadian Air Force had made an outstanding impression as the result of its training in the short period it had been overseas. Men from every province in Canada were to be found in the ranks of the squadron and they seemed to take pride in the fact that they were the first unit of the Royal Canadian Air Force ever to be in England. They are keenly anxious, as is this government, that they should be attached to the Canadian corps when it is formed.

I see no reason why I should not say to the house that during the course of my discussion at the air ministry I said that I felt sure it would be the wish of the Canadian government that this army cooperation squadron should cooperate whenever possible with the Canadian corps whenever such a corps should be formed in the theatre of war.

The air ministry gave me the assurance that whatever duties the army cooperation squadron of the Royal Canadian Air Force might perform meanwhile as part of the British air component in France, it would be transferred eventually to the Canadian corps. It is intended that this army cooperation squadron of the Royal Canadian Air Force shall serve in due course with our Canadian soldiers in the field.

Just before leaving, I also paid a visit to a squadron which is Canadian in the sense of origin but which is actually part of the organization of the Royal Air Force. Members of the house may recall that some time ago the air ministry decided that it would be of distinct advantage if Canadian personnel scattered through the various squadrons in the air force could be brought together to form a squadron which would be largely Canadian in its composition. That end has been achieved, and except for a few non-commissioned officers this particular fighter squadron of the Royal Air Force is made up of Canadians. The commanding officer, Squadron Leader Gobeil, is a native of Ottawa, and as I passed down the line and met other officers of that squadron I passed, as it were, across the Dominion of Canada from one province to another. The chief concern of the members of this fighter squadron was that they had not yet been called for duty in France. I remember that the last words of the adjutant to me were a request that I intercede with the air ministry to see that they were sent to France for active duty as soon as possible. I mention that simply as typical of the spirit of the men who represent Canada overseas at this time.

I have left the Royal Canadian Navy to the last because there were no elements of the Royal Canadian Navy in England when I was there. However, I should like to say that even in England I was made conscious of the splendid service that has been rendered by the Royal Canadian Navy since the outbreak of the war. This arm of the service has been more continuously engaged in arduous duty from the very beginning than has any other branch. I need hardly say that the work being done by our navy is absolutely essential to the allied cause. I wonder sometimes if we realize fully what it means to England and what it means to us on this side of the Atlantic to have the assurance of that life-line of commerce which has been made possible by the work of the Royal Navy and the cooperation of the Royal Canadian Navy.

There are those who sometimes are inclined to say that we put our complete dependence upon the Royal Navy. There was far more truth in that statement in 1914 than there is to-day. At the Admiralty, from the chief of naval staff and from more than one of the members of the naval staff whom I met in the course of my visit, I received the highest tributes to the work which the Royal Canadian Navy has done, particularly in the organization of convoys across the Atlantic. That only confirmed testimony of a similar character which I had received from time to time from those who represented the British Admiralty in Canada. I say this because the work of the Royal Canadian Navy may at times seem monotonous and uninteresting to those who are engaged in its work, especially when they hear of the British navy performing deeds of valour in European waters. But I want the country to know that our navy is carrying out its work of patrol and convoy with the highest degree of efficiency and also with that high sense of duty which has been the mark of navy men throughout the centuries.

Before I leave this subject, I should like to place upon *Hansard* some evidence of the growth of the Royal Canadian Navy in the comparatively short period since the outbreak of the war. Personnel: total strength at the tenth of this month, 6,614 of all ranks. This is being increased from time to time and it is expected that the strength will approximate 10,000 by the end of the year. I ask the house to remember, when it is suggested from time to time that our war effort is insignificant when compared with that in the last war, that the Royal Canadian Navy in the number of its personnel is rapidly approaching the strength of an army division. The same is true of the Royal Canadian Air Force. When the air training programme is developed we shall have, not the strength of one army division, but probably of three army divisions before another year is passed.

Of ships now in commission there are ninety-four vessels of all kinds, including seven submarines. These include fifteen mine sweepers, anti-submarine vessels, fishermen's reserve and auxiliary vessels.

Ships under construction: There are ninety additional vessels under construction, including fifty-four patrol vessels and eighteen mine sweepers. Vessels are also being constructed for the Admiralty.

I see no reason why I should not tell the house that while I was in England I discussed with the Admiralty the terms under which two new Tribal class destroyers are being constructed for the Canadian government. The order for these destroyers has already been placed and a beginning has been made upon their construction.

As to the duties of the Royal Canadian Navy, it undertakes patrol duty on our own Canadian coasts and it is actively cooperating also on coastal patrol and the defence of Newfoundland and also in certain operations in the Caribbean. I have also mentioned its splendid work in connection with the convoy system, and in that connection I would point out that the losses under the convoy system have been negligible and the work itself has gone forward without any interruption.

I should like to say just a word or two regarding the formation of the Canadian corps in the field. In the last war the Canadian corps was built up gradually in the field. We began first, as we must now, with one division in the field. We provided that division with ancillary units; in due course a second division joined the first division, and later a third division, and then finally the Canadian corps was established. When in the United Kingdom I discussed with the war office the conditions under which the Canadian corps might be established in the field. I say that in order that the house may know that the consideration of the formation of a Canadian corps was not prompted only by the events of recent weeks. We made, I should say, most satisfactory progress in our discussions with the war office touching the formation of a Canadian corps. These discussions related especially to particular units of an ancillary character, such as artillery, army service corps, engineering and mechanically equipped units, which would be supplied in the one case by Canada and in the other case by the United Kingdom as was done during the last war.

In these discussions I was assisted particularly by Major General Crerar, who has been appointed in command of Canadian military headquarters in London. He, too, like General McNaughton, has given of himself unreservedly to the task of maintaining a continuous and effective liaison with the war office, and Canada has profited greatly from his ability, even as it has already profited from the splendid impression which General McNaughton has made in the United Kingdom.

I may say that the duties of the officer in command of Canadian military headquarters in London are rather difficult to perform. He holds what might be termed a pivotal position. Negotiations pass through him and in particular are conducted by him. He has special command over certain administrative sections relating to our base establishments in the United Kingdom, and possibly will have similar duties in relation to base establishments in France. He also must be in continuous consultation with the High Commissioner for Canada in London, who also has been performing his duties with efficiency and tireless energy in these recent months. I found no evidence of any friction in the working of our military machinery overseas. I think that reflects credit upon all of those particularly concerned, and I give that to the house not only as my own testimony but I am pleased to be able to say that from the highest staff officers in the war office I received nothing but the highest commendation of these men who are serving Canada in high military positions in England at the present time.

I said at the beginning that I would not detain the house at any great length. I come now to a matter on which I wish to speak with some care, namely, the campaign in Norway, and I am going to ask the indulgence of the house if in what I say regarding that campaign I follow my notes very carefully. I do not propose to discuss that campaign in detail, but I should like to make two introductory observations, followed by a brief statement of the part taken by Canadian troops in the early plans for the Trondheim operation.

My first observation is that this government has always felt that Canada's war effort must be fitted into the plans of the United Kingdom government. While Canadian troops may act in units or formations under the command of Canadian officers, the real strength of our assistance can be utilized only if those actions are properly related to the disposition of the British and allied armies. This constitutes no derogation from the undoubted right of this government to exercise final control over the employment of Canadian troops. That is our ultimate responsibility as a government. It is simply a matter of arriving at the best possible understanding and producing the most effective striking force.

The second remark that I wish to make relates to the supply of equipment. There may be certain operations of a specialized character wherein the full complement of heavy equipment is not only not needed but would be an actual encumbrance. In such operations much more depends on the ingenuity and initiative of the officers and on the intelligence and skill of the individual soldier. Rapidity of movement and control may be required rather than crushing weight of material. What has happened in France I suppose provides ample commentary on that statement. There the allied forces have had to move back before a crushing weight of material.

A plan was prepared by the British joint staffs for an operation in aid of the Norwegians at Trondheim. This consisted of two diversionary landings at Namsos and Andalsnes and for a direct landing in Trondheim fiord

of a force superior to that of the enemy which had seized the port. The forts at the entrance of the fiord and guns with which they were equipped would require to be attacked and overcome, and the navy were prepared to carry troops in through the fiord to effect a direct landing at the port.

The Canadians were asked to supply certain troops to assist in the Trondheim operation. Although the time was very limited, two battalions, a little short of strength because of certain details that were not required, and certain specialized units and details were selected, equipped and on their way to the port of embarkation within the allotted time. The two battalions thus selected, namely, the Princess Patricia's Canadian Light Infantry and the Edmonton regiment, each contained a number of men of Norwegian descent, some of whom spoke Norwegian.

Although this operation required only a part of the Canadian division, and although it was definitely limited in extent, Canada was ready to assume its share of the proposed operation. British authorities did not hesitate to say that there were nowhere available any troops who were so well fitted to carry out the particular task. As time went on, the original plans were altered by the joint staff committee of the United Kingdom government in the light of changes in the military situation. The abandonment of the frontal attack on Trondheim was due solely to certain military considerations which were explained to the British House of Commons by Mr. Churchill on Wednesday, May 8, the day before I left London. Mr. Churchill, I might add, was then First Lord of the Admiralty.

Our Canadian soldiers were at a port in the north of Scotland ready to proceed to Norway when it was decided that the landing operation at Trondheim was not to take place. This did away with the necessity of attack on the guns against the fjord. Consequently our men were returned to their encampment at Aldershot. There was therefore no Canadian force which actually served in the operations in Norway. Opinions may vary as to the wisdom of the Norwegian campaign in whole or in part. It has been the subject of debate in parliament at London. I was able to hear a large part of that debate. In any event, it has been overshadowed by more recent events. The fact remains, however, and I can see no good reason why it should be concealed from this house and the Canadian people, that Canadian troops were ready when the call came. The military change of plans might easily have involved the cancellation of the use of other units. In fact, as is well known, the decision not to attack at Trondheim itself meant that other troops besides the Canadians were not utilized. That does not detract from our readiness and willingness to serve when the request was made. The United Kingdom government, I should add, has signified, both in conversations I had with the Secretary of State for War and the Secretary of State for the Dominions, and by formal communication, its highest appreciation of the manner in which Canadian battalions were made available with the utmost speed to take part in this proposed operation.

Mr. Speaker, before I close I should like to emphasize once more as I did at the beginning that during the period when this resolution is before the committee there will be ample opportunity for members of the house to put particular questions regarding our war effort, which will be answered with the utmost dispatch. I felt I was interpreting the wishes of the house correctly in not attempting any extensive and detailed review of what has happened in the past. What concerns us most of all just now is what we can do in the immediate future to meet this crisis that is upon us. At the same time, I would not for a moment exclude any questions relating to our war effort. There may be questions which I may not be able to answer for prudential reasons, reasons which I am sure all members of the house will appreciate. If there are questions which I cannot answer I shall do my utmost to give sound reasons for taking that attitude, but in that I must put myself entirely in the judgment of the house. I should like it to be understood, however, that the government desires to have its war effort scrutinized in any detail. We desire it because we know at least something of the effort and the energy we have put into it. We desire it because we believe that when it is known in all its details, as these are presented from time to time, it will be accepted as a progressive developing effort entirely worthy of the people of this country.

Mr. Speaker, the allied nations to-day are confronted with a situation the gravity of which is understood by all members of this house. That gravity was emphasized particularly by the statement we heard from the Prime Minister at the opening of this sitting. It has been further accentuated by news which most of us have read in this evening's press. The German army has broken through the forward defences in France on a wide front. In a number of places its motorized columns are moving through the battlefields of a quarter of a century ago. Whether the objective is Paris or the channel ports, or both, the nazi machine has succeeded in sending forward masses of tanks aided by low flying aeroplanes which have penetrated

[Mr. Rogers.]

deep into French soil and these are being followed by motorized divisions of infantry and supporting troops. The Maginot line is intact, but the full force of the attack has been directed to the territory between the northern outpost of that line and the sea. In so far as this has resulted in German motorized units appearing behind the allied lines, so must the realization of danger increase. It would be a failure of duty to the Canadian people if I sought in any way to minimize the seriousness of the present situation.

Fortunately the story does not end there. The Germans have thrown the greater part of their mechanical equipment and their finest troops into the attack. There was probably every reason why they should do so if they hoped to gain, and indeed if they must gain the victory this year, if at all. While our losses have not been light, theirs must have been much more severe. The French military genius is capable of adapting itself to a war of rapid movement without the defensive aid of concrete blockhouses and fixed emplacements. It has done it before. If our lines are threatened, so are theirs, and every mile of penetration extends their lines of communication and exposes them to the flank attacks of French troops and the telling blows of the bombers of the Royal Air Force. The men of that force have already proved themselves to be more than a match for those of the invaders, and the allied machines, I believe I can say, have proved to be in no way inferior to the German. Our great difficulty is that with respect to aircraft and highly mechanized heavy equipment we are battling against a very great preponderance on the side of the enemy.

Less than three weeks ago I was with the British troops in France and drove through some of the very areas that are now being threatened. I remember seeing children playing by the side of concrete pill-boxes in cities whose names appeared in the military communiqués this afternoon. No one could make that trip to France and see the French people at their work and in their homes without gaining a sense of their great reserve of determination and fortitude; they are full of quiet courage—after all, they have been through it before—and unfailing confidence. They know and we must believe that the French army will re-form its front and meet the enemy with ultimate success. The spirit of Verdun cannot vanish from France.

The British troops in France were fully prepared and equally determined that they would carry out whatever task was to be theirs in the same spirit of confidence. I saw something of their commanders, I saw something of the line of resistance they were building against the possibility of German attack. Plans were perfected from that line for rapid and effective cooperation with the French and Belgian armies. The British army was ready to move on a moment's notice, and as recent events have shown they have been engaged in heavy fighting along the lines laid down in their previously prepared plan. The quiet effectiveness and calm determination of the British officers and men was most impressive.

The black-out—I do not think one can call it less than that—of German domination has descended on Czechoslovakia, on Poland, on Norway, on Denmark, on Holland, on Luxembourg and on Belgium. It means that loss of life and degradation and hunger have been inflicted on millions of civilians and innocent people. There seems little doubt that millions more are condemned to suffer before victory is won, as won it must be. The allied countries are shouldering the burden of mankind. There can be no mistake about that. There can be no question that we are approaching a great climacteric period in world history. When the story of these days is written I hope we may be able to remember with pride that from the comparative security of this continent, with no thought of gain or of aggrandizement, for we have no territorial objectives to achieve, with the conviction that the greatest struggle in history is upon us, Canadians have gone forward and will continue to go forward to share the allied burden and fight for the cause of freedom throughout the world. Mr. Speaker, I have no words of peroration except those which have comforted nations and men in many high moments of peril:

> Wherefore take unto you the whole armour of God, that ye may be able to withstand in the evil day, and having done all, to stand.

Mr. ANGUS MacINNIS (Vancouver East): I do not think, Mr. Speaker, that I need tell the house how I feel the responsibility of addressing it in taking part in this debate. We are living in swiftly moving times. Indeed, what in the morning one would deem it appropriate to say seems out of place that same afternoon or evening. The hon. member for Rosetown-Biggar (Mr. Coldwell), in speaking on the address in reply yesterday, assured the house that this group was not unconcerned with the outcome of the struggle which is going on at the present time in Europe. As a matter of fact we are very deeply concerned, because if nazism succeeds in domin-

ating the world, then we and other groups which hold the same views as we do as to the society we hope to build will have to postpone the achievement of our objects for a long, long time. It was people such as belong to our group who were first in realizing the dangers of fascism and nazism, because it was against such philosophies as ours that these movements first directed their hatred. It was the trade unions and the socialist party of Italy that first felt Il Duce's oppressive hand. It was only a few years ago that the assassin of the socialists of Italy was feted in a city not 150 miles from this chamber.

It is to be regretted that the leaders of democratic countries were so slow in realizing the implications of the nazi philosophy. The leader of the opposition (Mr. Hanson) yesterday spoke about a book by the recent British ambassador to Berlin, Sir Nevile Henderson, entitled "The Failure of a Mission," and I believe he recommended that book to the attention of members of this house. I have not read the whole book; I have read parts of it. In my opinion it is a tragedy that such a book should have been published at this time. The book has been circulated in neutral countries, in the United States for instance, and its circulation in that country is doing the allied cause no good; for Sir Nevile Henderson totally failed to understand the real nature of fascism, and its implications. On page 13 of that book we find this statement. When we read it we can understand why we have got into our present position. He says:

> Nor are all dictatorships even if prolonged, reprehensible. . . . One cannot, just because he is a dictator, refuse to admit the great services which Signor Mussolini has rendered to Italy: nor would the world have failed to acclaim Hitler as a great German if he had known when and where to stop; if for instance, after Munich and the Nuremberg decrees for the Jews.

Mr. Speaker, before that took place, Hitler had destroyed all freedom in Germany. Hitler had destroyed the trade union movement of Germany, without which democracy and freedom are impossible. Hitler had destroyed the German social democratic party that was trying to restore the country. Hitler had destroyed the cooperative movements of Germany. Hitler had destroyed every vestige of freedom; yet Sir Nevile Henderson said in his book that Hitler could have been acclaimed as a great man if he had stopped there—and I have not even referred to the horrible atrocities committed against the Jewish race. Not only were these sentiments expressed in this book; very similar sentiments were expressed in this house by the former leader of the opposition on September 8 of last year. At page 14 of *Hansard* for the special session of last fall Mr. Manion said:

> But, sir, Germany is controlled at the present time by an unscrupulous egoist. It is true he served Germany well, and had he stopped at a certain point he might well have gone down into history as a great German hero.

So we have these two statements that had Hitler stopped after he had destroyed everything in Germany that was of spiritual and social value, he might have gone down in history as a great German hero. Until we better understand ethics; until we have better moral perceptions than are indicated by those two statements, we cannot meet the situation that is confronting the world to-day.

However, Mr. Speaker, we are at war, and the specific resolution before us asks that we vote a certain sum of money to carry on our war effort. The group to which I belong, and I assume all other members of this house, are concerned with two things. First, we are concerned with how the money is to be spent and, second, with how the money is to be raised. The Canadian people are disturbed about our war expenditures. The hon. member for North Battleford (Mrs. Nielsen) said last night that the people of Canada are suspicious, and I believe that is true. In any event they are disturbed as to how the money raised for Canada's war effort is being spent. Neither they nor we have any information as to the terms on which war contracts are being let. Is there real competition? Has the government competent officers, engineers and experts, who are able and allowed to safeguard the interests of the Canadian people? On these matters the people of Canada and even the members of this house have only the most meagre information. There are reasons for this suspicion, this disturbed state of mind. A year or two ago a commission investigated a certain contract. As a result of that investigation certain recommendations were made to the government and a defence purchasing board was created under which a profit of I think five per cent was to be allowed on contracts. During the special session last fall we were told by the Minister of Transport (Mr. Howe) that the government could not find tenderers for contracts while the profit was limited to five per cent. That being the situation, Mr. Speaker, it seems to me the solution is not to remove the limitation on profits but rather for the government itself to undertake the manufacture of essential war materials.

Mr. LACROIX (Beauce): It would cost a hundred per cent more.

Mr. MacINNIS: Well, it might cost a hundred per cent more, but there is no reason why it should.

Mr. LACROIX (Beauce): No reason; but it would.

Mr. MacINNIS: Then we need a different government to do it, and the people of Canada elected the wrong government. Surely there is enough honesty in the Canadian people, particularly at a time like this, to see that the means are provided to defend the liberties of the people of this country. But despite what we know—the little we know—the government is now asking for a grant of $700,000,000 more to carry on the war effort. Personally I am not opposing the granting of that money but, as I said before, I and those associated with me would like to know much more about how it is to be spent.

In the second place I said we were interested in how the money was to be raised. It seems to me the procedure followed in this resolution is rather unusual. In the same resolution asking for the appropriation of supply we have a section stating how that money is to be raised. It is our opinion that there should be two separate resolutions, one asking for the appropriation and the other stating how the government intend to raise the money. Some members might wish to vote the supply but might have other opinions as to how the money should be raised. As it stands, we cannot vote against the one part without voting against the whole resolution. I am not unmindful of the statement made this afternoon that although the resolution so stated, it was not the intention that this whole amount was to be raised by way of loan; but we are asked to pass a resolution raising by way of loan the sum of $700,000,000. If it is not the intention of the government to raise the money in that way, we should be told how they intend to raise it.

During the special session last September the Minister of National Revenue (Mr. Ilsley), who was then acting Minister of Finance, said that in carrying on the war the government hoped to follow a pay-as-you-go policy. I should like to quote very briefly from the minister's statement in order to show how far we have departed—at least so far as we know—from that policy of pay as you go in the resolution now before us. Referring to conditions during the last war he said this:

> Prices and the cost of living rose more rapidly than wages and interest on old debts. Industrial profits and property incomes increased while the real income of wage earners and individuals receiving interest payments at fixed rates declined or rose less rapidly. It was this reduction in the real income of one section of the community and the creation of large surpluses in the hands of other sections willing to lend to the government that in considerable part at least made possible Canada's remarkable record in mobilizing public savings through the various war and victory loan programmes. The decline in the relative standard of living suffered by certain groups, the rapid increase in savings and the postponement of needed capital facilities made possible the enormous volume of war loans and represented the sacrifices necessary for the conduct of the war.

Well, certainly those who at the expense of the rest of the community were becoming wealthy did not sacrifice anything when they subscribed to war loans at five and a half per cent. Financing the war in that way has had a very serious effect on the social progress of Canada since the war. Every time we asked for legislation which would improve the social and economic conditions of our people we were met with the assertion that there was no money: "Where can we find the money?" But I have never heard a minister say from his place in the house that it was impossible to raise the money to pay the interest on war bonds. According to the Minister of National Revenue that interest was received by people who got an undue share of the national income, and who consequently did not make sacrifices during the last war.

If we are going to guard against that sort of thing we must guard against it now, and not wait until the next war begins. The minister went on to say that no country had the courage to finance the great war solely by resort to taxation and borrowing out of savings. The Cooperative Commonwealth Federation suggests that at the beginning of this war the government should have the courage to finance the war out of taxation, and that those who can afford it should be made to pay for the war. Others are fighting it for them.

Already we have floated one war loan. A Canadian Press dispatch which appeared in the Vancouver papers contained a report of the meeting held in Montreal at which the first war loan was launched, and the report stated that at that meeting were 200 people who represented one-half the total wealth of Canada. That would mean that if there are 11,000,200 people in Canada, one-half of the wealth is held by 11,000,000 of them and the other half by 200. When we consider the millions of people who represent nothing at all, so far as financial standing is concerned, we can understand how very few people control the wealth of Canada.

The government should have the courage to make those people pay for the war. We insist that some means other than borrowing must be found if we are not going further to depress the standard of living of people who are now sorely pressed. Already many homes are feeling the pinch of rising food prices. The unemployed, the lower-paid wage-earners, the majority of farmers, people living on small pensions, such as our old-age pensioners, are all feeling the pinch of intensified poverty, and yet at the same time we are allowing a few to make undue profits and to increase their riches out of the nation's distress—indeed, out of the distress of humanity as a whole.

We cannot allay the suspicion and distrust of the Canadian people so long as we allow that sort of thing to continue. As I said before the Cooperative Commonwealth Federation believes that the cost of financing the war should be placed on the shoulders best able to bear it. To this end we propose increased and steeply graded taxes on incomes, and on corporations, and we say that the excess profits tax should be made a real excess profits tax, and not what it is to-day. On the other hand taxes on the necessities of life, taxes which tend to increase the cost of living of those on low incomes should be removed. In lieu of these, taxes should be imposed on stock speculations. Further revenues could be raised by the imposition of federal succession duties. Revenues should be raised in this way not only for war purposes, but also for social services. The government should take the national wealth to meet the national need, and not try to postpone payment and thereby place the burden of debt on the shoulders of those who are to follow us. Whatever may be our responsibilities in the circumstances leading to this war, certainly posterity cannot be blamed for the present state of affairs, and for that reason should not be asked to pay for it.

In view of the fact that the government has already been compelled to institute economic controls in many directions, in an endeavour to increase efficiency and to prevent profiteering, it would seem proper that such controls should be extended, not as a matter of expediency when a difficulty arises but rather as a carefully thought out programme of planned action in the interests of all the people of Canada, and not in the interests of a few.

In our opinion there is only one way in which profiteering can be eliminated. As I said before, it can be done only by the socialization of essential war industries.

[Mr. MacInnis.]

In conclusion I should like to comment briefly upon a statement made yesterday evening by the Prime Minister (Mr. Mackenzie King). From page 49 of *Hansard* I read:

> I know that the government can rely upon the support of all sides of this house as long as it does all that is humanly possible to carry out its duty to the people of Canada.

I do not believe that this government can carry out its duty to the people of Canada if it continues to follow the line it has been following up to the present time. The Prime Minister then went on to say:

> To assist us we shall need and, I believe, we shall receive the unwavering resolution and the full cooperation of every true man and woman in this country. If this war is lost, and tyranny triumphs, our world with its gift of freedom, and its promise of happiness for all men and women, will be lost in utter darkness. No sacrifice is too great to prevent that calamity.

I should think that if the Prime Minister were a little closer to the people he would realize that all they have had of freedom these many years was simply a promise. During the last eight or nine months I have been appalled at the number of people who have come to me with stories of distress. One old gentleman, almost seventy years of age, came to me not so very long ago in my own city. His wife had reached eighty years of age, being an invalid in receipt of an old age pension. He had been granted a municipal pension of $21.65 a month and immediately his wife's old age pension was stopped. There can be no freedom for a man living under those conditions except the freedom of slow starvation.

The members of this house owe a duty to the underprivileged people of this country and that duty should be fulfilled. They should see that these people receive a better living out of the national income of this dominion. If we do that, then there will be no doubt of the loyal support this government will receive in fighting aggression and building freedom in this country.

As I said, I think this resolution should be divided so that we could discuss the ways in which this money is to be raised and possibly vote against certain ways of raising the money without having to vote against the appropriation itself. Speaking yesterday evening, the hon. member for Lethbridge (Mr. Blackmore) said that his group, with the possible exception of one or two Liberals, were the only ones who were advocating new ways of raising revenue. I do not think he is quite correct.

Mr. BLACKMORE: Without interest.

Mr. MacINNIS: Without interest; that is true. We have not advocated the raising of money without interest, but we have advocated other ways of raising money. We believe our ways are feasible, while the other ways suggested are not. But the hon. member's group and this group and every other group in the house ought to have an opportunity of opposing the ways proposed to raise this money without having to vote against the appropriation. In order that they may be able to do that, I move:

That the final paragraph of the resolution, beginning with the words "with provision also" and ending with the words "consolidated revenue fund" be deleted and brought forward as a separate resolution.

Mr. SPEAKER: I refer the hon. member to standing order 48, which reads:

When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; or for the adjournment of the house.

I refer also to Beauchesne's Parliamentary Rules and Forms, paragraph 397, which reads:

An amendment must not raise any question which by the rules of the house, can only be raised by a distinct motion after notice.

In my opinion this amendment raises such a question and, therefore, I must declare it to be out of order.

Hon. GROTE STIRLING (Yale): Mr. Speaker, I have no set speech to deliver, neither do I desire to take part in this debate for the purpose of making a set speech. However, I want to give voice to certain thoughts which have been passing through my mind for a considerable length of time in regard to these solemn matters which are before the house. Canada is a leading member of a great partnership, the partnership of the British empire, and that partnership with all its forces and all its resources, concerting with her noble ally, France, is fighting a battle for freedom and liberty. It is just as much our fight in Canada as though these ruthless hordes were advancing up the St. Lawrence river. This is brought home to us every time we read of the terrible, bloody destruction which has taken place in one great country after another. We then realize that this is our fight and that we must play our part to the very best of our ability.

It is true that Canada has come into this fight, but unfortunately, to my mind, the Canadian people have been extremely lacking in information with regard to what has been accomplished heretofore, what is being planned now and what the future may disclose. We came here in January intent upon receiving detailed information on these matters, but we did not receive it. We came here again on May 16 to receive this information, and so far we have had the all too meagre statement which the Prime Minister (Mr. Mackenzie King) made yesterday, augmented by the statement to-day of the minister. Whereas the debate on the address was cut off, perhaps rightly so, an opportunity is now given to us to discuss this matter on the resolution of the Minister of Finance (Mr. Ralston); and it appears to me that the sooner we get down to a discussion of that resolution itself in committee, the more likely are we to get the answers to questions which are thronging our minds and perhaps be able to pass on to the Canadian people a better understanding and a fuller explanation of what Canada is doing.

In connection with the whole war one question which in the west has caused a great deal of, shall I say, misunderstanding, is in regard to the method of recruiting. Recruiting started; recruiting stopped; men who had been recruited and had been sent off to do certain tasks came back in some instances to find their jobs filled, filled because it was necessary for those jobs to be undertaken, and they found themselves on relief. It is connected with that, it appears to me, that a difficulty arose with regard to our militia forces.

I suppose everybody knows that the land forces in Canada consist of a militia which is divided into two parts—the permanent force, which is largely an instructional force, and the non-permanent active militia. If I have understood the plans of the past in connection with the formation of an active service force, or mobilization, if you will, in case of war, it has been that the skeleton, the non-permanent active militia, should be expanded by the taking of certain units, which should be kept up by recruiting, whose reinforcements should be provided by recruiting, and whose divisions should be so formed. So far as I have been able to follow the Prime Minister's speech, that seems to have been departed from, and certainly seems to have been departed from in this way, that units were incorporated in the first division, and when reinforcements were required for the units it appears to me that officers and men belonging to other units have been permitted or have been asked to come forward in enlistment as reinforcements for the units of the first division. Whether or not I understand that aright, whether that be a good plan or not, it is most unfortunate that the members of the non-permanent active militia

units have not received any detailed explanation that such is the case. Before I started on my journey of three thousand miles to arrive in Ottawa there was a great deal of misunderstanding and unrest not only in the minds of members of the non-permanent active militia units but also in the mind of that general public which looks on at the non-permanent active militia units with some pride. That is a matter which I trust will be further explained, and I shall expect to take a further opportunity to speak of it in the discussion which ensues when we get into the committee stage.

There are two things I want to say now. One is that having occupied for a short time the position which the Minister of National Defence (Mr. Rogers) now holds, I have some realization of the load which he is carrying. But it should not be forgotten that we on the opposition side of this house have very grave duties to carry out. We look upon them in all seriousness, and one of the matters which has caused me more concern than another has been the gauge with which I am to measure the criticism which I can properly use. It is not my intention to say one word which can needlessly embarrass the administration, and it is not my intention to leave one word unsaid which will be of any assistance in pressing Canada's effort forward to exactly what it should amount to.

There is another thought. We are faced with these ruthless aggressors. If we do not bend every effort and strain every sinew we shall be recreant in our task and our names will go down in obloquy to those who come after us. We shall be recreant in our task; for there are things which Canada can do, and perhaps should be doing in greater volume than she is doing now, and it is pressing forward to these tasks which, in my opinion, is the obvious duty of every member of this house at the present time.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, if I understood the Minister of Finance (Mr. Ralston) correctly this afternoon, he used words to this effect, that the government would not allow financial restrictions to hamper Canada's war effort and that the only limitations would be Canada's ability to produce. With those sentiments we in this corner are heartily in accord. We only regret that has not been the policy of this government and of the governments of the allies in the past. Had it been so, I do not think we would be in the same critical position in which we find ourselves to-day.

On the other hand we in this corner are definitely opposed to the method proposed in the last paragraph of the bill, where the minister proposes raising money by way of loan. During the past five years we have frequently criticized the government's procedure of raising funds on the ground that it has built up a great interest-bearing debt that can never be repaid and one that is wrecking the economic life of this country. In tracing the growth of debt we have stressed the fact that during normal times industry is not self-liquidating; that is, industry is not able to create an effective demand for its own production except in times of abnormal capital goods production, and as a consequence industry is not maintained at its maximum level or at a level sufficiently high to guarantee the people a decent standard of living. Unemployment increases, and there is a further decrease of purchasing power. That is why in this house and outside of it we have continually urged upon the government the need for monetary expansion to the degree necessary to provide full employment, capacity production, and a higher standard of living. But strangely enough we had to wait until the declaration of war to receive from this government what I would term its first really sane statement on monetary policy, and that was the statement made by the acting Minister of Finance (Mr. Ilsley) in September last, which can be found at page 140 of *Hansard*. It reads:

> All this is not to say that a small and carefully regulated amount of credit expansion may not be desirable in the early stages of the war in order to assist the increase of production and employment. . . . If at the beginning of the war there are unemployed resources, some credit expansion may give an impetus to their prompt utilization. If it is carefully controlled, the expansion of production may prevent any abnormal rise in prices, confidence may be maintained and the initial impetus may be carried on and accelerated by the insistent demand that exists for supplies. . . . With an economy at full production and employment, the only result of expanding money and credit is to raise prices without increasing production. At such a point commences the cumulative spiral of inflation with all its deadly consequences to the economy.

He stresses there that monetary expansion may be desirable for the purpose of providing full employment and production. He also stresses the fact that there need not be any fear of inflation until we have acquired full production. I think we will all agree that we are a long way from reaching maximum production to-day. In the last edition but one of the *Financial Post* the fact is emphasized that the production of Canada can be increased by many billions of dollars.

To come back to the question of monetary expansion, did not the minister's statement apply equally as well during the years from

1935 to 1939? Did we not have a large number of unemployed? Did we not have a large number of idle and semi-idle factories and thousands of people in dire need of the goods that could have been produced? Apparently at that time the government were not interested in the demands of the home market; they were more interested, it seemed, in the demands of foreign markets even though it entailed perhaps the selling of war materials to our potential enemies. They were more interested in maintaining a large favourable balance of trade, and of course the orthodox way of doing that is to maintain a low standard of living in the country so as to decrease the demand for imports and to make a greater amount of goods available for export.

During the budget debate at the last special session it was declared most emphatically that the government would insist upon equality of sacrifice and that as far as possible a policy of pay as you go would be adopted. Judging by subsequent events, it would appear that the government have already forgotten about that declaration. I suppose it has been shelved with that famous statement of the Prime Minister (Mr. Mackenzie King) that currency and credit would be made available in terms of public need to meet the domestic and social requirements of the Canadian people. I challenge even the most rabid Liberal to suggest that that has been done in the last five years. The government appear to be following a policy similar to that which has obtained in the past, the policy of borrowing vast sums of money instead of utilizing the services of the Bank of Canada.

We maintain that the establishment of a national credit account with the Bank of Canada for meeting war expenditures would represent a real pay-as-you-go policy, and provided a judicious use were made of price control and an equitable form of taxation employed, there would be no danger of real inflation. If necessary, the cash requirements of the Canadian banks could be increased. I make that statement in view of the fact that the former Minister of Finance in this house was always warning us of the danger, if money were issued by the government, of its increasing the cash reserves of the chartered banks and so enabling them to expand loans on that basis. That danger could easily be overcome by compelling the chartered banks to increase their cash reserves. If that is not considered wise, if people do maintain that as a result of that action the banks could not operate, then the only other solution would be to nationalize the whole banking system; and of the two I admit that I am strongly in favour of nationalizing the chartered banks along with the other financial institutions and putting into operation an investment board for the purpose of directing the investments of the country. Instead of carrying out a pay-as-you-go policy the government prefers to continue a policy that results in one of the most vile forms of inflation possible, that is, inflation of profits and savings.

First of all, we borrow $200,000,000 from the chartered banks; that is, we hire the chartered banks to create $200,000,000. That is utilized to meet war expenditures and there is an expansion of profits and savings. Then we exchange interest-bearing bonds for some of these savings and profits. Not content with helping to create these large profits and savings, we take steps to fasten them as a perpetual debt round the necks of the ratepayers at an annual levy of three and a quarter per cent. I can appreciate the reason why this government appears to favour the idea of an increase in the national debt in view of the fact that the financial adviser to the government, Mr. Towers, stated definitely before the banking committee that in his opinion there was no reason why we should try to pay off the national debt. Perhaps it is not fair to refer to him without quoting his exact words. At page 80 of the evidence there appears a question which was put to him by Mr. McGeer. I quote:

> Mr. McGeer: Is it possible for you to imagine any way by which we are ever going to pay the debt we have got?
>
> Mr. Towers: As the debts of the government are an asset of the Canadian people, I do not see much point in the thing.

He adds, except in so far as there is a maldistribution.

But the national debt is not an asset of the Canadian people; it is merely an asset of a few privileged individuals, comparatively speaking, whilst on the other hand it is a liability of the whole nation. As a result of this policy, therefore, we make a levy upon all the people of Canada in order to pay tribute to a few; and then we are told that the government insists upon equality of sacrifice. I have always maintained that this kind of racket is bad enough in time of peace, but it is more contemptible in time of war. Mr. F. Fairer Smith, in his book on War Finance, puts it quite clearly when he says:

> What it all amounts to is this. In the dark ages your acknowledged enemy levied present tribute on you at his peril, for you were at liberty to strike him down if you could. Nowadays it is a certain number of your fellow countrymen who levy a continuous tribute on you and they are protected in their depredations by your own government.

Let us get the matter of war costs absolutely straight. The only materials available to us with which to wage war are those that have been produced in the past and those that are or can be produced at the present time—perhaps I should say current production. We cannot borrow guns or ammunition from future generations. Borrowing money internally will not increase the amount of goods in the country by a single item. This war will be fought with current production. Surely therefore, if we are to adopt a pay-as-you-go policy, when we consume goods in the prosecution of the war the claims against those goods should be destroyed at the same time. What right have we to say that we will consume a certain proportion of goods for war purposes but will leave a demand on future generations to pay for them? Have we their permission? Of course not. It is a straight case of misappropriation of funds of future generations. It is not only a dishonest policy but one that is absolutely impossible of accomplishment. Industry through current production cannot pay out more in salaries and wages and dividends than it is going to recover through prices of the product. As a matter of fact we as social crediters maintain that industry does not pay out enough in wages, salaries and dividends to buy back its own production. However, not even the most orthodox economist would claim that industry can pay out more than the aggregate prices of the goods it has to sell. That being the case—and it cannot be challenged—how will it be possible in the future for industry to distribute sufficient money to pay for its own production and, in addition, pay for the goods that we are consuming to-day? Of course it cannot be done, but the hoax is kept up by borrowing. Therefore we are most emphatically opposed to the money for this expenditure being borrowed. We feel that the services of the Bank of Canada should be utilized and a true pay-as-you-go policy adopted.

Mr. ALAN COCKERAM (York South): First let me say, Mr. Speaker, that this is the first time I have ever spoken in an assembly such as this, and if I transgress any of the rules of this house I trust you will forgive me.

As a soldier of the last war I pay tribute, with the Minister of National Defence (Mr. Rogers), to the spirit that animates those of our soldiers who are overseas. I believe they will be every bit as good as our men who served twenty-five years ago. But what surprised me in the minister's statement was that he made no reference to how he proposes to equip the second and third divisions or how he proposes to issue uniforms to those of us who belong to the non-permanent active militia at this time. Hon. members may not know that the non-permanent active militia is training in civilian clothing.

During the course of the recent general election many things were said regarding equipment and many assurances were given to the public that our troops had gone overseas properly equipped in every way. I believe I can state with confidence that the assurances given to the people of this country by members of the government are not borne out by the facts. Everything that has taken place up to the present time tends to confirm the doubt with which a great many people received those assurances. It is a well known fact, the assurances of the Minister of National Defence and other members of the government to the contrary, that the first Canadian division went overseas totally unequipped for modern warfare. The government's evasions with respect to this matter are to be condemned. And our information about the second Canadian division is that it is not up to strength at the present time. I trust that in voting this money one thing this house will be doing will be assuring the people of this country that our troops will not be sent to France unequipped to meet the conditions of modern warfare. After eight months of comparative calm the full storm has broken. It is to be hoped that the events of the past week have aroused the government from its lethargy. I believe they have, but I believe it is too late. Hitherto its ears have been so firmly attuned to the ground to catch the rumblings of future political emergencies that it has been rendered incapable of grasping the deadly nature of the dangers that threaten us. Our feet are set on two roads, which lead to two destinations only; one to victory, the other to annihilation.

Now that the war has commenced in earnest, the casualties will equal or exceed those of the last war. But in Canada recruiting is at a standstill. Recruiting should be carried on continuously in this country until there is a minimum of four hundred thousand men under arms. Those of us who served overseas in the last war and who know something about action know that you can go into a show one morning at nine o'clock and come out next morning with only a handful of men. Reserves must be on hand. Neither the first nor the second division should be allowed to enter any zone of battle until the Canadian people and the Department of National Defence are satisfied that sufficient trained reserves are on hand to reinforce them.

We in Canada should contrast the efforts of our government with those of Australia, which to-day has two divisions in Egypt or en route there and five further divisions training.

Mr. RALSTON: Will my friend permit me? I think his information is not correct.

Mr. COCKERAM: The information I have is just such information as is available to the people of this country.

Mr. RALSTON: My hon. friend perhaps does not know that the Australians had five divisions in the last war, and they began numbering their divisions in this war at six, and they have now the sixth and seventh Australian divisions. I think that is perhaps where my friend is mistaken.

Mr. COCKERAM: Is it not true that they have 75,000 men under arms in Australia training?

Mr. RALSTON: I did not understand my friend to say 75,000 men.

Mr. COCKERAM: Well, that is approximately five divisions.

Mr. RALSTON: Here I think we will have 100,000. I only wanted to point out that when my friend speaks of five divisions I think he is wrong.

Mr. COCKERAM: The Australian air force we are given to understand is seven times as strong as it was in 1939.

It has been said all over Canada that the answer of the Prime Minister (Mr. Mackenzie King) and the answer of members of the government to any word of criticism has been that they are in constant contact with the British government and that the government of Canada has done everything that has been asked of it. What the people of Canada would like to know is what this government spontaneously offered to the mother country at the outbreak of the war. It is well understood that the British government made no demands for assistance; that is not its policy.

An uneasy feeling prevails, that the policy of the Prime Minister and of his colleagues, is one of so conducting the war effort that, no matter what the results of the conflict, this country will emerge from it with a balance on the right side of the ledger. If that is so, let me tell the Prime Minister that he is not pursuing that policy with the endorsement of the Canadian people. No red-blooded Canadian wishes to profit at the expense of the lives of his fellow-citizens in other parts of the empire.

The Prime Minister has never taken the public into his confidence until yesterday; they have therefore failed to realize the gravity of the situation. Events of the past week have brought it home to them. Still, during these fateful days until yesterday the Prime Minister's lips have remained sealed. And now what do we find? We find the Prime Minister telling this house and the country that he will expedite our war effort to the maximum. In other words, he is telling us that he is going to do now what we had been told he has done ever since this war started.

Perhaps the most serious condition that exists in this country to-day is what is known as the fifth column. Many members of the house will have seen in the press an account of a meeting of the Canadian legion in Vancouver, at which a resolution was passed, a copy of which I understand was forwarded to the Prime Minister. That resolution was to the effect that in the city of Vancouver there were 5,000 active enemy aliens, and, requesting that in the interests of public safety, steps be taken immediately to place those individuals in concentration camps. It may surprise hon. members to learn that the number of enemy aliens at Petawawa camp at the present time is less than 300, and I do not suppose anyone in this house will believe that there were not a greater number of dangerous enemy aliens foot-loose in eastern Canada. I have not checked this up with the Minister of Justice (Mr. Lapointe), but I am informed that a number of the prisoners who have been interned from time to time have been able to obtain their release through political interference. I say that any member of this house who uses his office to bring about the release of any prisoner who has been interned is a traitor to his country. Every enemy alien in Canada should be ferreted out and placed under restriction.

Mr. RALSTON: My hon. friend has made quite a serious charge in regard to the release of an enemy alien through political pressure. Would he furnish the Minister of Justice, in confidence, with the name of this person or any particulars of the case?

Mr. COCKERAM: I think I can do that. I do not know how they get out, but they do.

Mr. RALSTON: That is quite different. I thought my hon. friend said it was from political pressure.

Mr. COCKERAM: I understand that was it. The returned soldiers of Canada have stated that they will be glad to assist the government in these efforts.

I believe the government would be well advised to turn its attention to the activities of communists and other subversive elements as well. There is need for action along this line, but I am doubtful if the Prime Minister

will do very much to encourage that action, in view of the fact that yesterday afternoon he asked us not to get panicky over this situation.

I was elected to this house, Mr. Speaker, to make every effort of which I am capable, to further the prosecution of this war. That I intend to do, disregarding any political consequences to myself. I do not intend to say or do anything obstructive merely for the sake of being destructive, but where criticism is necessary I shall criticize freely. The other day the Prime Minister expressed the pious hope that during this session there might be no recriminations. Doubtless recriminations are distasteful to him, but he can hardly expect not to be called to account for his past actions, now that the results of his folly and his persistent refusal to face realities are apparent to everyone. "As a man sows so shall he also reap." It is well to let bygones be bygones only when there is a real change apparent.

Surely it must be dawning upon the Prime Minister that his popularity has been on the wane since March 26 and that he no longer enjoys the confidence of the people of this country. If he doubts it, let him read and digest what is being said in the daily press from coast to coast. I am sorry the Prime Minister is not in the house to hear this.

Mr. POWER: He is not missing anything.

Mr. COCKERAM: The Prime Minister is full of words, but he has shown himself quite incapable of action. The record of the government since the outbreak of war is one of ineptitude and frustration. For that record he must take the responsibility. A strong feeling prevails that as long as he remains Prime Minister of this country there will be no change in the situation. There must be a change. Every man and every dollar must be mobilized immediately. Every wheel in every factory throughout Canada must turn with a single purpose in view: victory. Furthermore, no brakes must be placed upon the wheels of industry by political patronage.

What I am going to say now will, no doubt, be in the nature of a bombshell to hon. members of this house.

Some hon. MEMBERS: Oh, oh.

Mr. COCKERAM: Wait till I am through before you laugh. Bombs are falling thickly in other countries and countless thousands of men and women are being killed. I do not desire to offend the Prime Minister, but I believe what I am about to say is in the interests of our country, and it is being said without malice. In this dreadful hour of crisis, when the very existence of everything we hold dear, hangs by a thread, I solemnly implore the Prime Minister, for the good of his country, to emulate the example of Mr. Chamberlain, who, with much less reason to do so than he has, resigned his office in the interest of sustaining public confidence in the ability and determination of the government to carry the war to a successful conclusion.

I make this plea under the firm conviction that such action on his part is necessary in the interests of the national safety of Canada. The tragedy of the moment is the fact that the country has been given no effective leadership, though people have anxiously awaited it. The result has been public apathy, and the events of the past week have left the people fearful. The Prime Minister has among his followers others better fitted to lead than he is, and better able to inspire public confidence. Let him play the man and the patriot, and sacrifice his personal ambitions for the good of his country.

Mr. DENTON MASSEY (Greenwood): Mr. Speaker, in rising to take a very brief part in this debate I am fully conscious of the fact that these are days when it is expected of us in this house that we should give action and leadership, not merely words. Therefore it is not my purpose to detain the house at any length, but what I am about to say is being said with the greatest sincerity and earnestness of purpose of which I am capable.

To-night I listened with the closest attention to the speech of the Minister of National Defence (Mr. Rogers). I am sure all hon. members were impressed by his earnestness as well as by the fact that he rightfully referred in glowing terms to the calibre of the Canadian soldier, sailor and airman. The minister referred also to the personnel who are at this moment charged with the responsiblity of discharging the duties of chief of staff and supporting officers, as well as to the men themselves. I have not heard it said in Canada at any time that there is or has been any doubt in the minds of the Canadian people as to the calibre of their own sons. I have not heard anyone at any time—and I make this statement broadly and as I feel it—question General McNaughton or those who are associated with him. Canada has reason to be proud of General McNaughton, and I mention him only as one of the men to whom the minister referred to-night.

No one doubts the Canadian soldier, sailor and airman, Mr. Speaker, but I feel that there is not a member of this house worthy to be a member but who at least to-night is charged with his responsibility as such in relation to the present crisis with which not only this dominion but the whole world is faced.

There has not been a day in the history of what, for lack of a better name, we call civilization when all that we regard as most precious to us has been so severely threatened as it is at this very hour.

At this moment we are not concerned with bickering about what has been. We could spend hours in this chamber discussing what should have been done, perhaps by Great Britain, perhaps by Canada, perhaps by some other country, but at the moment what we want is action, not words, not a discussion of what has been and what has not been. We are looking ahead, not back. We have a job of work to do, and we are charged with that job. As we sit here in this chamber to-night in—and I quote the words of the minister—"the comparative security of Canada"—can we help feeling that there is another country which gave us birth and has given us continued life, but which sits to-night in insecurity. I wonder what it would feel like to be in England to-night. What must it mean to those who live in the United Kingdom and at this very hour to know that the most ruthless enemy of modern or medieval times, for that matter, is separated from one's home by only a few miles of water?

Mr. Speaker, we cannot consider too seriously what faces them and us. I am sure that I speak for every hon. member when I say that party differences fade into puny insignificance. We do not meet here to-night as Liberals, Conservatives, or members of the Cooperative Commonwealth Federation or Social Credit groups. No, we meet here to-night as Canadians. There is but one thought in our minds; there must be but one thought in our minds, and that is the course of action which we perforce must take if we are to preserve this dominion and this empire. Party politics, I say, fade into insignificance. Those hon. members of our party who have spoken as well as myself, speak from that point of view.

It is not unpatriotic to disagree with the course the government has taken or to feel earnestly and sincerely that the government can make mistakes. It is our duty as members of an opposition out of our sincerity as Canadians to point out to the government where we feel their action can be bettered and speeded up. That is our duty as Canadians, and the government of Canada should welcome constructive criticism.

Again I quote from the speech delivered to-night by the minister. He spoke of the comparative safety of Canada—yes, the "comparative" security of Canada; the adjective is important. That safety, that security is only comparative. How long will it remain so? I had the privilege of sitting in this chamber as a member of the last parliament between 1935 and 1940, and I can recall speeches in regard to the defence of Canada to which some members replied, asking, "Who are the enemy against whom we are defending ourselves?" That question can no longer be in our minds. The decent people of this world have a common enemy who stands grimly apparent at this very moment. For a thousand years it has been inconceivable to us to consider an invasion of the British Isles. And yet to-night we must contemplate that as a possibility. It is inconceivable to us to think that any nation could be strong enough to wrest from the empire the mother country. And yet we must face that possibility. There can be no thought more staggering to Canadians than the fall of the United Kingdom and the subsequent invasion of Canada.

What are we doing in this chamber if we fail to concentrate on that point, and that point only? Not for a moment am I neglecting the fact that Canada has peace-time problems which carry forward into war time. Hon. members who sat in the last parliament must know that I spent the greater part of my time dealing with problems of unemployment relief, agricultural distress and youth reestablishment. I am not neglecting those problems as I speak to-night, nor am I neglecting the fact that there has been tabled in the house the report of a commission which sat arduously not only for months but for years, dealing with matters pertaining to the relationship which exists between the provinces of this dominion. The other day I read an editorial which it seems to me summed up the situation concisely when it asked this question: What will be the problems between the provinces if we lose this war? In that event there would be no problem between provinces.

Mr. Speaker, not unmindful of nor neglecting our major domestic problems, there can be but one problem primarily before us in this session of parliament, and that is: What can we do to speed up the war effort of Canada so that we may achieve the full defensive power of which this country is capable, and so that a Canadian may feel in his own heart that he has done his fullest and best, regardless of the outcome. There can be no satisfaction in our own minds if we as the people of a great dominion are not confident that we are giving all we have to give.

Unfortunately I could not be in the chamber, for very obvious reasons, on the day my hon. house leader assumed his high and important

office. But I have read his words as they are reported in *Hansard*, and I find that he said this:

> Canada's participation in this conflict, which, I fear may grow successively worse instead of better should be bound only by our limitations in men, in treasure and in concentrated efforts. That in my opinion should be our one and undivided aim in the course of this, perhaps the most important session of parliament in the history of our dominion.

That is my point of view. We must think not only in terms of conflict in Europe but must realize that a conflict in Europe which has an adverse result means of course that which we cannot comprehend at the present time, namely that the north American continent is placed in an entirely new and unique position. The defence of Canada, as we have conceived it in the past, is the defence of this country against some hypothetical enemy who had to cross a wide ocean in order to reach our shores, and who could not cross that wide ocean as long as there was a British navy. That has been the fundamental basis of the defence of the shores of Canada for many years—and in that statement I refer not only to the last five years.

That conception must change. Reference has been made in this chamber on more than one occasion to fifth column activity—I believe that is the new expression for it. We have not only enemies without but also enemies within. Not only have we enemies to deal with in Europe, but we have them to deal with at home. And if this conflict in Europe follows the course which, as I have said, we cannot conceive of its following, but which it may follow, then a new problem confronts us. Are we going to be caught asleep again? What would it have meant if in the last few years our preparation had been carried forward in equal proportions with those of Germany? I speak not only of Canada. In what position would the war be to-night? Surely we must face stark and absolute reality. Seven hundreds of millions of dollars—a staggering sum for this dominion! We all caught our breaths when the Prime Minister (Mr. Mackenzie King) used the astronomical figure of $1,100,000,000. But can we put a price on liberty and freedom? We have before us a task which must know no limitations, one which must know no handicaps. Not only must we take our part in this conflict to the fullest of our ability, but we must prepare now for the emergency which may arise—and pray God that it may never arise—and that is the defence of the very shores of Canada against an aggressor nation.

Mr. Speaker, my earnest plea, as I take my seat, is that the government give release at once to the virtually unlimited potential power—men, material, and money—of the Canadian people, in defence of Canada, the mother country and all for which she stands.

We have only to look to the south of us to realize the fear, if you will, which has gripped the hearts and minds of the people of the United States; we have only to read of the programme which is being put forward to-day by the government of President Roosevelt to know at once that the United States is not insensible to the danger in which we are on this continent. Therefore, I urge, not only upon the Prime Minister, not only upon the Minister of National Defence (Mr. Rogers), but upon the proposed Minister of National Defence for Air, that they not only conduct Canada's participation in this war to the full but also give consideration to the defence of Canada as a nation. We have a task before us, and I can only urge upon the government with all the earnestness of which I am capable that any differences in party politics and any divisions, regardless of how important they may seem in times of peace, be cast aside and that the utmost in leadership be given to the people of Canada in this hour of need, not only of the mother country but of Canada herself.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, although every member of this house is greatly concerned over the trend of events in the world to-day, I am sure that we should not lose sight of the problems that exist in our own country. Seven hundred million dollars is a very large sum of money, and I am sure that all the members of this house are anxious that this appropriation be spent in the best interests of the Canadian people, at this critical time.

Rising for the first time in this house, I do so to plead for more adequate assistance for agriculture under the clause providing for the security, defence, peace, order and welfare of Canada, than has hitherto been provided by this parliament.

In making our greatest contribution towards the successful prosecution of the war, the producing of foodstuffs will play an important role. It seems certain that those engaged in the manufacture of armaments will be assured of their costs and profits. I ask that the farmer be given assurance that the return he receives for his produce will enable him to pay his taxes, his store bills and provide a decent livelihood for his family. In war or peace, during my lifetime at least, the farmer has not received for his products a return which would enable him to live as other groups in society have been living.

The impression was created in this house a year ago by the Minister of Agriculture

(Mr. Gardiner) that wheat could be produced at from thirty to forty cents a bushel, and legislation was passed to guarantee the farmer a return in that price range. It is true that farmers have been continuing to produce wheat at these low prices, but what has been happening during the process? Western members at least are familiar with the problems that exist throughout the wheat belt, of mortgaged farms, of farm buildings and country schoolhouses in a dilapidated condition, of undernourished children, of poorly paid school teachers, and a whole host of other problems.

Recently I had sent to me some forty-four communications from my constituency reporting on a variety of conditions in the different parts of that riding. I might mention that this riding is a large one, being 104 miles east and west and 621 miles north and south. I should like to give the house the findings contained in four of these reports. Two of them were received from one of Saskatchewan's best wheat producing areas, a place where crop failures are unknown. The others were received from northern settlers who are trying to reestablish themselves on the heavily wooded land of northern Saskatchewan. One report comes from an Icelandic settler, another from an American, another from a Canadian from the time of the United Empire Loyalists and another from a Ukrainian. These men are representatives of four racial groups which are making a splendid contribution toward the building of a better Canada.

The man of Icelandic extraction has been on his farm since 1904, a matter of thirty-six years. He reports that during that period he has paid $50,000 in interest and principal and that the value of his farm is now $8,000, but he still owes $4,200. He reports that during 1939 he spent $100 for hospital and medical services; for dental services, $40; for books, $4; for newspapers, $10; for travelling for pleasure, $25; for recreation, $30; for groceries, $300, and for clothing, $200. He states that approximately 35 per cent of the people in that farming community have furnaces in their farm homes, that five per cent have electricity, that 75 per cent have radios, while 40 per cent have pianos. He reports that no home in the community has running water. I might say that this man is considered to be a well-to-do farmer.

The next report comes from another good farming district. This man has been on his farm since 1903, or for thirty-seven years. He has paid $25,000 in interest and principal. He values his farm at $11,000 but he still owes $12,000. During the year he paid out nothing for dental services, and nothing for books. For medical and hospital services he paid out $35, and for newspapers, $18. He reports that in his community there are no farmers with running water in their homes, that one per cent have furnaces, one per cent, electric lights; 75 per cent have radios and two per cent have pianos.

The Ukrainian farmer reports that he has been twenty-one years in the north country trying to become a self-supporting Canadian on a bush homestead. He has paid out only $150 in interest and principal, and he values his farm at $900, with $734.75 still owing. He values his house at $50 and his furniture at $25. During the last year he spent one dollar for dental services and one dollar for books. He spent $2.50 for newspapers and nothing for travel for pleasure or recreation. For groceries for himself and his wife he spent approximately $50. He is twenty-two miles from the nearest doctor and fifty-five miles from the nearest hospital. In his community there is not a single home with running water, with a furnace, with electric lights, or with a piano.

Another settler in the new north is a man who with his wife has spent the best part of a lifetime in large cities. They went north when the depression set in some ten years ago, having left one of our western cities rather than face the humiliation of going on relief. The wife is a trained nurse, a woman who would be a real asset to any community and who is a real asset in this community. Their place is worth, according to the assessment roll, $1,060. They owe $600. They value their house at $250, and their furniture at $275, because most of their furniture has been brought north as a reminder of better days gone by. During the past year they spent for medical and hospital services, $19, although this trained nurse is in need of a major surgical operation. They spent for dental services nothing; for books, nothing; for newspapers, $2; for travel and pleasure, nothing, for recreation, nothing, and for groceries, $150. In their community, no homes have running water, or furnaces or electric lights. Fifty per cent of the homes have a radio and one per cent, a piano.

Summarizing the information contained in these forty-four reports, I find that the average is as follows:

Value of house	$510 83
Value of furniture	190 49
Amount spent in 1939 for medical and hospital services	31 75
Books	2 72
Newspapers	3 67

Although in my constituency, with over 28,000 electors, we have twenty-six towns with sufficient business to warrant the rail-

way companies locating station agents there, we have in the constituency only sixteen medical doctors, five hospitals, six dentists and only seven banks. My only reason for mentioning the banks is that in the early years of settlement nearly every small town had its local bank, but as the effects of the depression were felt, together with the results of producing wheat and other farm products at less than the cost of production, bank after bank closed their branches until to-day we have only seven chartered banks in the constituency. I place this information before the house in order that hon. members may realize the necessity of dealing with the urgent problems confronting agriculture, particularly in western Canada.

With respect to proposals for giving the farmer a better deal I wish to make two recommendations. Mention has already been made by several speakers in this house of the election on March 26. Our province has sent a large number of government supporters to this house, and one of the important factors in the election in Saskatchewan was the assurance given by the hon. Minister of Agriculture that the wheat producers would receive an interim payment on the 1939 wheat crop. I quote from the Saskatoon *Star-Phoenix.*

Mr. GARDINER: Mr. Speaker, on a point of order, in reply to what the hon. gentleman has just said, at no time during the campaign did I say that an interim payment would be made ,and any reports to that effect are not in accordance with what I said.

Mr. NICHOLSON: I was merely going to read the report which appeared in the Saskatoon *Star-Phoenix,* containing the statement which to my knowledge was not denied by the Minister of Agriculture while the election was on.

Mr. GARDINER: It was not only denied while the election was on, but a correct report appeared in the paper following every other meeting I addressed. I made the same statement at Wilkie which I made at every other meeting and not the statement which was read here yesterday.

Mr. NICHOLSON: There was no statement made here yesterday as to what the minister said at Wilkie. I was going to read what the minister said as reported in the Saskatoon *Star-Phoenix,* the statement which was used in the campaign. I should like to read it, Mr. Speaker.

Mr. SPEAKER: The minister states that the statement is not in accordance with the facts.

[Mr. Nicholson.]

Mr. NICHOLSON: He has not heard it yet.

Mr. GARDINER: The hon. gentleman said what was in the statement, and I said that on no occasion did I make the statement or make a promise that an interim payment would be made.

Mr. NICHOLSON: Until I read what the minister is reported by the Saskatoon *Star-Phoenix* to have said I think he is not in order in denying it. But, Mr. Speaker, I shall be very glad to accept his denial.

Mr. SPEAKER: I understand that the hon. member accepts the denial of the minister.

Mr. NICHOLSON: But I have not read the statement yet, Mr. Speaker.

Mr. SPEAKER: The hon. member has indicated the contents of the newspaper report, and the minister has declared that it is incorrect. His statement will have to be accepted.

Mr. NICHOLSON: Do I understand that the Minister of Agriculture is denying the accuracy of the statement appearing in the Saskatoon *Star-Phoenix* of March 21 reporting his speech at Wilkie?

Mr. SPEAKER: I understood the minister to say that he denied the statement, the contents of which the hon. member had indicated.

Mr. NICHOLSON: I should like to read what the newspaper says, Mr. Speaker.

Mr. SPEAKER: I am afraid that cannot be allowed.

Mr. NICHOLSON: I understand that I am not permitted to quote the exact words?

Mr. COLDWELL: On a point of order, Mr. Speaker, the minister does not yet know what the newspaper report contains. The member for Mackenzie (Mr. Nicholson) is asking the minister if he denies the report to which he refers of a speech made at Wilkie on March 21. Will you give your ruling, sir?

Mr. SPEAKER: I understood the hon. member to make a statement indicating the contents of the article he was about to read, and the minister thereupon rose in his place and denied having made any such statement. His denial must be accepted, and I so rule.

Mr. COLDWELL: On the point of order, do we understand that the minister denies the accuracy of the report?

Mr. SPEAKER: There is no point of order before the house just now. A denial has been made by the minister of the statement attributed to him by the hon. member, and his denial must be accepted.

Mr. NICHOLSON: I am pleased to bow to your ruling, Mr. Speaker.

In view of the constantly rising costs of production I submit that the government should lose no time in implementing the assurance given by the minister, as reported by the press, at the meeting at Wilkie that there would be an interim payment made on the 1939 wheat crop.

Mr. MACKENZIE KING: I do not like to interrupt my hon. friend, but would he before eleven o'clock tell us how what he is now saying bears on the resolution before the house? We should keep to the resolution.

Mr. NICHOLSON: Paragraph (a) of the resolution deals with the security, defence, peace, order and welfare of Canada, and I submit that a further payment to the farmers on the 1939 wheat crop is of urgent importance to the welfare of Canada.

Mr. SPEAKER: It is eleven o'clock.

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

Wednesday, May 22, 1940

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*AIR MINISTRY

Mr. CHURCH:

Will the government give immediate consideration to the creation of a separate air ministry for Canada to control war and civil aviation and empire air work?

Mr. MACKENZIE KING: This question, as my hon. friend will have noticed, has been answered by action already taken.

WAR-TIME MORATORIUM ON MORTGAGES

Mr. CHURCH:

Will the government give consideration to a national mortgage moratorium under the war measures or other act for the period of the war and one year after, to prevent extortionate rates in war time on mortgages?

Mr. RALSTON: This question relates to a matter of policy and it is not usual for the government to make statements on matters of policy in giving replies to questions.

*LAW AND PARLIAMENTARY REFORM

Mr. CHURCH:

Will consideration be given to the appointment of a select committee of the house to consider the whole subject of law reform in Canada, a revision of the criminal code, imprisonment for debt in Canada and parliamentary reform and the question of setting up estimate committees?

Mr. LAPOINTE (Quebec East): I do not know whether I should say that this matter is being considered. I do not think there is any chance of its being done this session.

Mr. SPEAKER: Answered.

Mr. CHURCH: The line of least resistance again.

PRAIRIE FARM ASSISTANCE ACT, 1939—RECEIPTS FROM ONE PER CENT GRAIN TAX

Mr. PERLEY:

1. How much money, by provinces, has the government received to date from the 1 per cent tax on all grains of the 1939 crop, under the Prairie Farm Assistance Act, 1939?

2. What further amount is expected to be received on this account, by provinces?

Mr. MacKINNON (Edmonton West):

1. Amount collected by provinces under Prairie Farm Assistance Act, deducted by licensees up to and including March 31, 1940, and received by the board of grain commissioners: Manitoba, $307,418.46; Saskatchewan, $1,166,586.73; Alberta, $628,249.31. Total $2,102,254.50.

2. Impossible to estimate further amounts to be received.

PRAIRIE FARM ASSISTANCE ACT, 1939—AMOUNT LOANED TO BONUS FUND

Mr. PERLEY:

1. How much has the government loaned to the bonus fund provided for under the Prairie Farm Assistance Act, 1939?

2. What further amount is expected to be loaned to this fund?

3. How does the government expect to recover the amount loaned to this fund?

Mr. GARDINER:

1. Under authority of order in council P.C. 4172, dated December 14, 1939: $5,000,000. Under authority of order in council P.C. 880, dated February 29, 1940: $4,000,000.

2. Nil.

3. The Prairie Farm Assistance Act does not provide for the repayment of amounts advanced to the prairie farm emergency fund except through collection of the 1 per cent levy provided under the act.

1941 CENSUS

Mr. CHURCH:

1. Will a census be taken in 1941, and on what basis?
2. Will the list of questions to be asked be tabled?
3. What new additions have been decided on?
4. Will consideration be given to enlarge on the questions to be asked to include: (a) a survey for national emergency purposes and national defence; (b) regarding real estate and housing and mortgages and rates of interest charged therein and rent charged; (c) service of those on active service?
5. Will any reports or information in this regard be tabled for the information of the house?

Mr. MacKINNON (Edmonton West):

1. Yes, (see Statistics Act, 1918, chapter 190, sections 16 to 19).

2, 3, 4 and 5. Final decisions as to details have not been reached.

APPLES PROCESSED UNDER AGREEMENT WITH FEDERAL GOVERNMENT

Mr. McGREGOR:

1. What price was paid by the Canadian companies for apples to be processed under agreement with the Canadian government in: (a) Nova Scotia, and (b) Ontario?
2. What price was realized for the finished products from: (a) Nova Scotia, and (b) Ontario?

Mr. GARDINER:

1. (a) For 34 selected varieties, No. 1 grade, 2½" up, $1.69 per barrel; No. 1 grade, 2¼"-2½", $1.51 per barrel; Domestics, 2½" up, $1.24 per barrel; Domestics, 2¼"-2½", $1.03 per barrel. For unnamed varieties, 25 cents less in each case.

(b) None processed under agreement with the Canadian government.

2. (a) Estimated sales to May 15 at various prices for pre-war and post-war contracts overseas and in Canada:—543,967 cases canned apples, net return $826,599; 48,491 cases dried apples, net return $168,851.

(b) Answered by 1 (b).

GULL BAY INDIAN RESERVATION—PULPWOOD SALES

Mr. MacNICOL:

1. Was any pulpwood sold from the Gull bay Indian reservation or lake Nipigon during the years 1936, 1937, 1938, 1939, and 1940?
2. What was the cordage of pulpwood sold in each or any of the said years?
3. What amount was received therefor?
4. What were the names and addresses of purchasers?

Mr. CRERAR:

1. 1936-37—No.
   1937-38—Yes.
   1938-39—No.
   1939-40—Yes.

[Mr. Gardiner.]

2. 1937-38—2,944.57 cords.
   1939-40—3,800 cords (estimated).
3. 1937-38—$14,722.85.
   1939-40—Contract incomplete. Returns not yet received.
4. 1937-38—Abitibi Power & Paper Co., Port Arthur, Ontario.
   1939-40—Abitibi Power & Paper Co., Port Arthur, Ontario.

FISH TRAPS AND FISHING ON PACIFIC COAST—REPORT OF JUDGE SLOAN

Mr. NEILL:

1. Has the report of Judge Sloan, regarding fish traps and fishing in the Gulf of Georgia, been received yet?
2. If so, when will it be laid on the table of the house?

Mr. MICHAUD:

1. Yes.
2. As soon as printing, now in progress, is completed.

SUBVERSIVE ACTIVITIES—ANTI-ALLY PROPAGANDA

Mr. CHURCH:

Will the government give consideration to the appointment of a committee of the house to investigate all adverse anti-allies propaganda carried on in Canada by the so-called fifth army and those who are pro-German and pro-Russian, as well as American channels in the air and the distribution of certain American press publications carrying items detrimental to the cause of our allies.

Mr. MACKENZIE KING: I think this question is answered in part if not in whole by the motion which appears in my name with respect to the appointment of a select committee of the house to study and report upon the defence of Canada regulations. If this answer does not satisfy my hon. friend I should be glad to confer with him as to what further powers he might wish the committee to have.

Mr. HANSON (York-Sunbury): I suggest to the right hon. gentleman that the questions of United States channels in the air and the distribution of certain United States publications carrying items detrimental to the cause of the allies are very important in the matter of propaganda, and consideration might be given those matters in connection with this committee. Of course if you go on enlarging the scope of the committee it will have to deal with a great many things, but these are important matters and some consideration might be given them.

Mr. MACKENZIE KING: I would say that the matters mentioned would be covered by any inquiry into the defence of Canada

regulations. If my hon. friend feels that they are not I shall be glad to deal with the matter further when we come to the motion itself.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN LEGATIONS

Mr. CHURCH:

1. How many foreign legations has Canada abroad?
2. Who are the heads of each legation, who are the staff in each case and what are their salaries and other allowances?
3. What has been the cost of each legation since its inception to the end of 1939, for (a) capital, and (b) maintenance?
4. What trade commissioners, and at what cost, has Canada in each of these legation countries?
5. What new legations have been opened since January 1, 1939, what is the staff in each case, and their respective salaries and allowances, and what amount, if any, of the one hundred million dollars voted for war in September was spent on such work?
6. What training have these men for diplomacy and who instructs and trains them as diplomats?
7. Are any of them returned soldiers, and whom?

PENITENTIARIES COMMISSION

Mr. CHURCH:

1. When was the prison commission appointed?
2. What was its cost for salaries, fees, hotel and travelling expenses and all other emoluments paid to everyone connected with it?
3. When was the report received?
4. Have any of its recommendations been carried out?
5. When will the commission be appointed and function?
6. What is the cause of the delay?
7. Who are the present chief heads of this branch of the service and what training have they for work of this nature?
8. When will the Borstal system be installed?

PRAIRIE FARM ASSISTANCE ACT, 1939—PAYMENTS ON ACREAGE BONUS

Mr. PERLEY:

1. What amount has been paid by the government on account of the acreage bonus provided for under the Prairie Farm Assistance Act, 1939, (a) by provinces; (b) by municipalities?
2. How much more does the government expect to pay on account of the acreage bonus for the year 1939?

PRAIRIE FARM REHABILITATION ACT—EXPENDITURES

Mr. PERLEY:

What was the total amount spent under the Prairie Farm Rehabilitation Act in the province of Saskatchewan during the year 1939, on the following projects: (a) dug-outs; (b) community pastures; (c) conservation dams; (d) Moose Jaw water project; (e) Saskatoon dam; (f) on all other projects?

WAR SUPPLIES—PRICES OF FOODSTUFFS

Mr. McGREGOR:

1. Has any agreement been entered into between the war supply board or any department of the Canadian government and the meat packing firms of Canada, defining the basis upon which prices are to be determined for beef, pork, mutton, lamb, lard or other foodstuff supplied by such firms to His Majesty's troops in Canada?
2. What prices were paid for each of these items furnished to His Majesty's troops in Canada during the first month of the war?

SALES OF INDIAN RESERVATION LANDS

Mr. MacNICOL:

1. Have any Indian reservation lands been sold by the Department of Indian Affairs during the years 1937, 1938, 1939, and 1940?
2. If so, from what Indian reservations were the lands sold and the acreage sold from each reservation?
3. What was the value of each sale?

Mr. CRERAR: Return tabled.

DOMINION-PROVINCIAL RELATIONS COMMISSION

Mr. SENN:

1. What was the total, itemized cost of the royal commission on dominion-provincial relations?
2. What salary, travelling expenses or allowances were paid each of the four commissioners?
3. What salary and other payments were made to the counsel of the commission?
4. What salary and other payments were made to members of the commission staff, by name?
5. What salary and other payments were made to experts, by name, employed by the commission to make special studies for its information?

ROYAL CANADIAN AIR FORCE—DISPOSITION OF ROCKCLIFFE STATION

Mr. SENN:

1. Is the Royal Canadian Air Force station at Rockcliffe, Ottawa, being abandoned for training purposes?
2. If not, what are the precise plans for use of that field?
3. What are the plans for enlargement and development of the Uplands air field, near Ottawa, as to obtaining more land, erection of buildings and training?
4. What has been the cost to date of work undertaken at Uplands field by the Trans-Canada Air Lines and, separately, by the government, and how much more money does the government plan to spend on this, and for what exact purposes?

MOTIONS FOR PAPERS

NATIONAL DEFENCE—ORDERS REGARDING RECRUITING

Mr. CHURCH:

For a copy of all orders to military districts regarding recruiting, together with a copy of rules and regulations issued under the Militia or Army Acts.

CANNING OF CANADIAN APPLES

Mr. McGREGOR:

For a copy of all agreements entered into between the government of Canada, the Canadian Department of Agriculture and any of the canning companies of Canada, relating to the processing or canning of Canadian apples. Also a copy of any orders in council providing for the canning or processing of that portion of the Canadian apple crop which could not be disposed of otherwise.

Mr. McGREGOR:

For a copy of any agreement or agreements entered into between the Department of Agriculture or any other department of government and the canning companies of Canada, or each individual canning company, providing for canning, evaporating or otherwise processing Canadian apples. Also a statement showing the names of those with whom such contracts were negotiated.

PORK PRODUCTS—EXPORT PRICES

Mr. McGREGOR:

For a copy of all agreements entered into between the government of Canada, the Canadian Department of Agriculture, the Canadian bacon board or any other governmental body and the British government, the British supply board or any organization in Great Britain, relating to the price to be paid for Canadian exports of pork products to Great Britain, and for the amount of such products to be shipped to Great Britain. Also a copy of all letters, telegrams, correspondence, orders in council and other documents exchanged between the above mentioned governments or organizations representing them, relating thereto.

LIVE OR DRESSED HOGS—PRICES TO FARMER

Mr. McGREGOR:

For a copy of all agreements entered into between the government of Canada, the Canadian Department of Agriculture, the Canadian bacon board, or any other organization appointed by the government of Canada and the Canadian council of meat packers, or any or all of the Canadian meat packing firms, relating to the price to be paid the Canadian farmer for live or dressed hogs. Also a copy of all letters, telegrams, orders in council and other documents in the possession of the government, relating thereto.

SALE OF TUGS TO RUSSIA

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams, cables and agreements exchanged between the government of Canada, the Soviet government of Russia, the American Trading Corporation of New York, the Soviet government representatives in America and Sincennes-McNaughton Tugs, Limited, of Montreal, or any other corporations or persons, regarding the sale of two tugs or ice breakers known as the *Bonsecours* and the *Bon Voyage*, of Montreal, to Russia for use as ice breakers for war and commercial purposes, including all correspondence of the Department of External Affairs on the matter, along with protests received by that department in connection therewith.

CANADIAN BACON BOARD

Mr. McGREGOR:

For a copy of the order in council which provided for the appointment of a Canadian bacon board, along with a statement showing the power conferred upon such board.

YUKON TERRITORY—PROSECUTION OF CHIROPRACTOR

Mr. BLACK (Yukon):

For a copy of all letters, telegrams, correspondence, communications and other documents exchanged between all officials and employees in any department of the government in Yukon Territory and elsewhere in 1939 and 1940, concerning a chiropractor in said territory and the prosecution of said chiropractor.

WAR SUPPLIES—ORDERS FOR CLOTHING

Mr. ESLING:

For a return showing all orders for clothing (including uniforms, underwear, socks and boots) issued by the National Defence Department and/or the War Supply Board during the months of June, July, August and September, 1939, with the date of the order and time of delivery; also the name of the party who negotiated with the department and/or the board for the order, and the name of the party or firm to whom the order was issued; also the number of units and the price per unit, and the total amount of the order; also stating whether the order was in the form of a contract or direct order.

PRODUCTION IN CANADA OF AEROPLANES AND AEROPLANE PRODUCTS

Mr. ADAMSON:

For a copy of all letters, telegrams and other memoranda between the Curtiss-Wright Aeroplane and Motor Corporation and the director of aircraft supply, the War Supply Board and the Department of National Defence offering to manufacture aeroplanes and aeroplane products in Canada; also a copy of memoranda submitted to the director of aircraft supply during December, 1939, in connection with the subject.

Mr. ADAMSON:

For a copy of all correspondence, letters, telegrams, and memoranda, exchanged between officials of the United Aircraft Corporation or any of its subsidiaries in Canada, more particularly the Canadian Pratt and Whitney, and officials of the National Defence Department and the War Supply Board during 1938 and 1939 in regard to the manufacture of aeroplanes, aerial motors and other aeroplane products in Canada by the said companies.

EMERGENCY POWERS

INQUIRY AS TO POSSIBLE CONSCRIPTION OF LABOUR AND WEALTH AS INTRODUCED TO-DAY IN BRITAIN

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, before the orders of the day are called I should like to direct a question to the Prime Minister (Mr. Mackenzie King). At to-day's sitting of the British parliament, in view of the emergency conditions existing, there was introduced and enacted into law a bill giving the government sweeping emergency powers with respect to the control of persons, wealth and property. May I ask the Prime Minister if he and the administration have given consideration to the necessity and the desirability of the government in Canada having similar authority?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have not seen the text of the bill referred to, and I presume my hon. friend has given to the house what came over the press wires this morning. I may say that this government has given consideration to measures of a sweeping character that may be necessary; but beyond saying that I cannot say more until I have seen the United Kingdom legislation itself.

RURAL FAIRS

PROTEST AGAINST WITHDRAWAL OF FEDERAL GRANTS

On the orders of the day:

Mr. ROBERT FAIR (Battle River): Mr. Speaker, may I read to the Minister of Agriculture (Mr. Gardiner) a telegram I have just received. It is dated at Vermilion, Alberta, May 21, and is in the following words:

> Vermilion agricultural society have sent to-day to Hon. Mr. Gardiner telegram protesting against withdrawal of federal grant to B Fairs. Heavy obligations already contracted in anticipation of grant will mean serious loss to society and discontinuance of fair against which farmers are protesting. Asking that grant be continued for this year and agree to its being withheld next year or for continuance of war.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member has read the contents of the telegram; he should now state his question.

Mr. FAIR: I thought it better to read the telegram first. My question is this: Will the government be good enough to reconsider this question and place a vote in the estimates, so that these grants may be paid at least during this year?

Hon. J. G. GARDINER (Minister of Agriculture): Full information with regard to grants to fairs will be given when the estimates are brought down, within the next few days.

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING QUESTIONS ASKED ON THE ORDERS OF THE DAY

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Arising out of what has just been read to the house may I suggest to hon. members that where possible they refrain from asking, on the orders of the day, questions of which the government has had no prior notice. If questions are not very important and the answers are not imperative, I would ask that hon. members have them inserted on the order paper, and thereby save a considerable amount of time.

Mr. FAIR: I had given notice to the Minister of Agriculture this morning.

Mr. MACKENZIE KING: I was aware that the hon. member had given notice to the minister, but I doubt very much whether the question he has just put was important enough to warrant taking up, particularly at this very critical moment, the amount of time it has taken for him to read the telegram.

SUBVERSIVE ACTIVITIES

SUGGESTED INTERNMENT OF ENEMY SYMPATHIZERS—RECENT DEVELOPMENTS IN FRANCE

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I wish to ask a question of the Minister of Justice (Mr. Lapointe). In view of the serious situation which has developed in France since the minister gave his reply to my question on Monday last, will the minister please tell the house if he is now prepared to take a more realistic view of the situation and take immediate steps—

An hon. MEMBER: Sit down.

Some hon. MEMBERS: Order.

Mr. LAPOINTE (Quebec East): Thank you—for the lecture.

NATIONAL DEFENCE

INQUIRY RESPECTING PROVISION FOR HOME GUARDS IN MUNICIPALITIES

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I should like to ask a question which I believe would refer to the departments under the supervision of the Minister of National Defence (Mr. Rogers) and the Minister of Justice and Attorney General of Canada (Mr. Lapointe). I have before me a large number of requests from municipalities throughout Canada indicating that they would like in days such as these to have the protection of a home guard, and they want to know whether the government will give the necessary statutory authority to act and organize. If action were taken I believe amendments would be required to the criminal code; or it could be through the War Measures Act or the Militia Act. In this way the home guards would be given official recognition and would be in a position to give very valuable service in the municipalities in the matter of home defence and cooperate fully in that regard with the federal authority.

Hon. NORMAN McL. ROGERS (Minister of National Defence): Mr. Speaker, the matter to which my hon. friend refers is receiving the attention of the departments concerned.

CREATION OF AIR MINISTRY—ADDITIONAL DEPUTY MINISTERS FOR MILITARY, NAVAL AND AIR SERVICES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of Bill No. 15, to amend the Department of National Defence Act.

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

On Section 1—Definitions.

Mr. MACKENZIE KING: I hope it will be possible to have this bill passed speedily, among other considerations to suit the convenience of another house which is now sitting but may be adjourning shortly.

Mr. HANSON (York-Sunbury): To-day?

Mr. MACKENZIE KING: Yes.

Mr. HANSON (York-Sunbury): Let us have some discussion on it, though. Of course we have agreed to the bill in principle, but I understand it has not yet been distributed. As a matter of fact it has just now reached the chamber. I realize, as the Prime Minister has said, that there is a necessity for action, but surely we should have a little time so that hon. members may read the bill. I have read it and I know what is in it, but it may be that some others are not in that position.

Mr. MACKENZIE KING: I believe every feature of importance in the bill was discussed on the resolution which preceded it. Perhaps if the sections were read, one by one, we would meet that difficulty.

Mr. HANSON (York-Sunbury): One thought which occurs to me is that the name suggested is not a good one. Certainly it is not euphonious. May I suggest the consideration of something like this: Minister of Air Defence.

Mr. MACKENZIE KING: The government has given careful consideration to the best designation for the minister. It was felt that reserving the title of Minister of National Defence in connection with the minister holding that office for air would make clear the immediate relationship of the two ministers to defence. The other two branches of the defence service would be under the Minister of National Defence himself. In drafting the measure the government has had in mind the possibility that once the war is over and after a lapse of six months, it might be thought advisable to have this particular measure repealed. If desired, reversion could immediately be made to the original statute.

Mr. HARRIS (Danforth): I realize that explanatory notes are not necessary in connection with the different clauses, but I do not see why we could not follow the same nomenclature as is followed at Westminster. Then the department would have a distinct name and it would have distinct functions. We should have a real department which would be ready to give some action to our effort. In the absence of explanatory notes, perhaps the Prime Minister would be kind enough to elaborate his statement as to the functions of this department.

Mr. MACKENZIE KING: With regard to what my hon. friend has said about Westminster, there they have, as he has just said, three separate departments. The government does not contemplate, at any rate at present, having three departments; it prefers to keep the three branches of the service correlated and coordinated under one minister, as, since the beginning of the war, has been found advisable in England. However, full responsibility will be given to the Minister of Defence for Air with respect to all defence matters immediately pertaining to the air branch of defence. There is no exact parallel

to the situation at Westminster, for the reason I have given. To all intents and purposes, however, the functions of the Minister of Defence for Air in Canada will be the same as those of the minister for air in Great Britain.

Mr. HARRIS (Danforth): It seems to me that this department will be a sort of lean-to of the Department of National Defence. Surely the new minister will not be answerable to the Minister of National Defence. I understand fully that there will have to be cooperation, but to my mind the new minister is being placed in a category where he will be more or less answerable to the Minister of National Defence (Mr. Rogers), who in turn is answerable to this house. I should like to see a department created which would have the necessary energy and enthusiasm to carry out a job of work which is of great moment at the present time. The impression should not be given to the country that the minister in charge of this department will be subordinate to the Minister of National Defence.

I hesitate to make a suggestion, but from my observations of many years I know the energy and enthusiasm with which the new minister designate will carry on the affairs of this particular department, and he should be answerable to no one except this parliament. I know he is capable of demonstrating to us from his place in this house that he is doing his part in the administratiion of this department. I would be sorry to see him put in a position which would make him subordinate to the Minister of National Defence, for whom I have a good deal of respect. I want to see him rise in his place in the house and give us some action about which we can become enthusiastic, something about which we can brag in the face of world conditions to-day, something that we can broadcast to the civilized world. We should be able to tell everybody that we have a Department of Defence for Air which is second to none. The Prime Minister has a man who is capable of inspiring the confidence of the Canadian people. Let the right hon. gentleman give him full rein and let him inspire us in Canada. He should lead the way so that Canada can make a real contribution toward relieving the difficult situation under which civilization is labouring at the present time.

Mr. MACKENZIE KING: I thank my hon. friend for his warm appreciation of the government's selection of my colleague, the present Postmaster General (Mr. Power), for this particular post. Perhaps I cannot better describe what we expect of him and what we intend he should do than by saying that my hon. friend himself has described that perfectly. There is no intention that there shall be any subordination of the Minister of Defence for Air to the Minister of National Defence. There are three branches of the defence service, the navy, the army and the air arm. These three services are in many respects interdependent and interwoven. Some question affecting all three may come up which will require a final word on the part of someone. I doubt very much if a question of the kind is likely to arise between the Minister of National Defence for Air and the present Minister of National Defence, but should there be an occasion where some authority must give the final word on any matter of inter-relation between the departments, the Minister of National Defence would have the responsibility for that final word. I might say that this has been found necessary in practice in Great Britain since the war commenced. As my hon. friend knows, there were three separate services there and as matters developed it became necessary to give Mr. Churchill general supervision over the three branches. We are making it clear now that on questions that are interrelated, when a final word is necessary it will be given by the Minister of National Defence.

Mr. HARRIS (Danforth): I quite appreciate the necessity of having it come from the Department of National Defence. I am trying to speak from my experience, gained by absorption, if by no other means, after sitting in this house for a long time. I think I know the Minister of Defence for Air designate and how he will apply himself to this task. I know he will do it well, and in these times of stress and strain I hope the estimates of the Department of Defence for Air will be brought down separately from those of the Department of National Defence. I notice a smile on the countenance of the Minister of National Defence, but let me say to him that the new Minister of Defence for Air was in this house long before he was. To my mind he should be charged with responsibility and he should not be able to get out of that responsibility by leaning on the Minister of National Defence. Let us hold him to his job, because he can take it. I have sat here and looked at him for the last nineteen years. He can take it; he is good enough. I should like to ask if the estimates of the Department of Defence for Air will be presented separately from those of the Department of National Defence. I should like to know also if the new minister will be answerable for his estimates.

I give him one other question to ponder over while he is considering these matters.

I do not need to tell him what to do because we know he is a man who is looking forward all the time. He is not looking backward. It may be thought there is some insinuation in that statement, and in case hon. members do not understand that insinuation I will particularize. I say to my hon. friend, the Minister of National Defence, and I couple with him the Prime Minister: The Canadian people are not in a mood at the present time to listen to a history of what has occurred since war was declared; they are more in a mood to insist upon being given—

The CHAIRMAN: May I draw the hon. member's attention to a rule which it is well to keep in mind. I did not wish to interrupt him, but it might be useful, to new members particularly, if I were to remind the hon. gentleman that any member addressing the house or the committee must address himself to the chair.

Mr. HARRIS (Danforth): I bow to your ruling, Mr. Chairman. I had the rapt attention of the Prime Minister for once, and also that of the Minister of National Defence. I would not suggest that they hypnotized me, but I could not turn from them seeing that they were listening so attentively to what I had to say. I bow to your ruling and I say to you, Mr. Chairman, that the Canadian people are not so much concerned with the history of what has taken place in the last seven or eight months or in the last few years; they are greatly concerned about what is going to happen during the next few months while this house is in session. We have often heard hon. members say that the Canadian people want action. I believe they do want action, and in all our deliberations in this honourable assembly would it not be well for us Canadians to brag a little—I use that for want of a better word—to the world at large about the great effort that we are making?

In the consideration of this bill would it not be wise if it went out from this house to-day that in the setting-up of this air ministry we are taking full advantage of our geographical position and establishing ourselves as the greatest unit that could possibly avail itself of the broad expanses of Canada in the development of this new science that has made such strides in the last two decades in all air activities? Should we not make it known that we are taking steps to dominate the military situation which has forced itself upon us by the conditions and the ideas that have emerged, in this civilization, from peoples not akin to ourselves, who have resorted to ruthless force and cruelty? Should we not make it known that we are going to put all our energy into activities of the same sort with a view to taking full advantage of the opportunities before us?

We have a new minister designate. Let us clothe my honourable and gallant friend (Mr. Power) with every possible power that can be given him by statute, and let us also encourage him to grip the imagination of the Canadian people so that the high place which our airmen have won will justify the belief that they will attain a still higher position in that field. They made a great name for themselves in the war some twenty-five years ago, and we should do everything in our power to make the dominance, which we believe they can achieve in this war, a reality.

Do not make the minister subordinate to any other department. Give him a free hand and all the power, money and resources necessary to make our air effort an unqualified success, so that under the ægis of the Minister of National Defence for Air our Canadian flyers may be stimulated to go on from success to success until finally they dominate the situation so far as the air is concerned.

Let me ask the government this question: Will the estimates of the air ministry be separate and will the new minister be answerable for them, or will they be part and parcel of the estimates of the Department of National Defence as a whole? Will the government see to it that the new minister is allowed to carry on with energy and enthusiasm instead of being hamstrung by all sorts of technicalities and by shortness of funds? Will he be allowed to put Canada in the proud place she should occupy in this one particular field, for which she is peculiarly well fitted?

Mr. MACKENZIE KING: There is no question about the estimates; they will be entirely under the Minister of National Defence for Air as regards air matters. As to the intended minister's conception of his duties, opportunities and relations to his colleague, I think perhaps he ought to speak for himself. If he does not satisfy my hon. friend in his reply we shall have to seek some means to see that he does.

Mr. POWER: I wish to assure my hon. friend that in so far as the powers, authority and jurisdiction to be conferred upon the new minister are concerned, I have had the privilege of studying the bill. In fact, I had something to do with the drafting of it, and I am quite satisfied that there will be abundant authority and perhaps all too great responsibility on the shoulders of the person who has been designated as Minister of National Defence for Air.

May I thank the members of the committee, and particularly my hon. friend who has just

spoken, for the kindly manner in which the news of my appointment has been received. It would be presumptuous for me at this juncture and in this time of crisis to attempt to lay down any specific programme or policy. I can only say that I am fully aware of the magnitude of the task before me. To realize what it means, one has only to reflect for a moment that in the amount of money involved in this joint empire training scheme there are almost as many million dollars as go into the operation of either the Canadian National Railways or the Canadian Pacific Railway, and that we must organize something greater in industry than exists in Canada, comparable, in its scope and in the financial commitments involved, with some of the greatest industries in the United States. When we begin to realize that, even with the start already made by those who have been working on the undertaking for the past several months, the whole organization must be completed within the shortest possible time, and that what took fifty years to build in connection with the railways must be completed in two or three months in connection with this air training scheme, we can understand what is involved. So that I realize the position, and I hope that the house will also realize it and assist me in the work which is before me. I am not asking that hon. members shall spare their punches; rather, let them intensify them if they will; but I take it from what was said by the hon. member who has just spoken that I shall not be asked to indulge in post mortems.

Mr. HARRIS (Danforth): No. Go ahead.

Mr. POWER: We will look into post mortems afterwards. For the moment, in this time of crisis, I ask the house to allow the officers of my department and myself to get on with the work as fast as possible. I would ask the officers of the air force to extend the kindliest cooperation to me as to one who is not at all familiar with the technical details of the work. Perhaps I should say in passing that in my utterances in the house I have not given any indication of idolizing members of the staff or the like; but in this instance I should like them to understand that I am fighting with them and for them and am their representative here.

I might add that apart from the empire training scheme there is the Royal Canadian Air Force, on which something like $100,000,000 will be spent during the coming year in its training, in its preparation for overseas service, and in its overseas service. I ask also of the officers and men of that force their kindest consideration and assistance.

Owing to the events of the past few days it is extremely difficult to speak of anything but the urgent, insistent nature of the present crisis. But we would be lacking in hope, we would be lacking in faith, we would be lacking in confidence in our allies in France and in Great Britain if we did not plan, even at this darkest hour, to be able to send assistance to them when they have stabilized the line and are holding the invading hordes. I hope that, if the plan may be considered as a long range plan, the ideas which are already in train for its acceleration may bear fruit, and that meanwhile the Canadian people will be satisfied with the thought that we are endeavouring to the best of our ability to turn out those trained men who will relieve those who at this time are holding the fort and suffering the heat and toil of the day.

Mr. CHURCH: I should like to ask the minister a question, which, probably, comes within the principle of this bill. There are two bills: one, No. 15, the definitions of which we are dealing with now; another, known as the air force bill, which is pretty much the same. What is the division of authority between the ministers? Under this definitions section I should like to find out who will be responsible for one of the most important parts of this air scheme to-day, namely, the defence of the civil population from air raids.

Last session the minister brought down a bill dealing with the Pacific Coast Defence, where virtually all the air defence is, from Puget sound, some 600 miles away, to Queen Charlotte islands and the mainland. The principle of this vote was to protect Canada's neutrality.

It may be better for me to discuss on the third reading the three or four points I have in mind, because, having gone into committee so quickly, we got very short notice of the second reading. But I may say that I raised this matter three or four years ago, at the time of the Abyssinian campaign: on that occasion I said:

> As I said in a debate in this house on March 24, 1938, on the defence estimates, Abyssinia was recently a theatre of war—

Just like Canada.

> —and we all know the destruction of civilian population that occurred through that means of attack. Abyssinia is an open country with only a small density of population compared with the island of Montreal, the cities of Quebec, Ottawa and Toronto and other parts of Canada. Air raids can work great havoc in time of war, and the menace will be a very real one in Canada, especially to the people of Quebec, the maritime provinces and British Columbia. What are we doing to take care of

the civilian population? Nothing. Aircraft could come up the Ottawa river at a moment's notice. I should like to direct the attention of the Social Credit members to what might happen. An air attack might occur and the whole social credit system be destroyed at a moment's notice. . . .

An aerial bombardment is one of the dangers most to be apprehended in time of war, particularly in large cities with their dense populations. The protection of cities from aerial bombardment should be one of the chief objectives of the national defence department, and proper equipment for defence against this menace should be provided. Large quantities of poisonous gas could easily be spread over a large area, as was done in Abyssinia. Incendiary bombs could be dropped on our large cities with great destruction and slaughter, and the enemy aircraft could get back to their base in practically no time. These attacks would not only bring ruin to our cities and towns, but break the morale of our people and prevent us from developing a proper defence and mobilizing our man power and armaments.

That is what I said on March 24, 1938, but nothing has been done.

Then I asked:

What has been done to protect the civilian population in Canada from awful air raids?

Inasmuch as such attacks could destroy all the public utilities of the large cities of Canada. I said:

One of these days there will be a rude awakening in this country. Hon. members sit in this chamber and listen to one or two speeches by their leaders, and then all they do is say "me too." As far as they are concerned, the people can continue to suffer or lack the security which is better than opulence.

I admit that, technically speaking, these may be matters to discuss on the third reading instead of on the details of the bill which is linked up with the other bill. The minister has brought it down just three years too late. It is two or three years ago since I pleaded for an empire training scheme to train the youth of the high schools and the universities. In connection with the estimates of the Minister of Labour (Mr. Rogers), I asked him, in 1937, 1938 and 1939 to plan an empire air scheme under which youth could sign up for from three to five years' apprenticeship, learn a trade or calling, get food, money and clothing, also deferred pay. In that way we would have accomplished something like Australia and New Zealand have done, where they have a large body of young people fitted to be pilots, and adapt it to national service plans adapted to Canada's circumstances. But that was not done.

In the next place I would like to know whether flying clubs can be extended to include the universities and high school students during the coming summer, the season when so many cannot get seasonal employment. I should also like to find out what has been done with regard to the application last year of the Toronto board of education, which offered to give the government the use of a large technical school for the air force training scheme. But probably these other matters can be raised on the next step of the bill.

Mr. DOUGLAS (Weyburn): Mr. Chairman, the minister indicated, as I understood it, that his task would come in two parts: first, the provision of the commonwealth air training scheme; second, responsibility for the Royal Canadian Air Force. Will the Prime Minister inform us whether aircraft production will come under this department, or will it continue to be under the jurisdiction of the Department of Munitions and Supply?

Mr. MACKENZIE KING: Aircraft production will come under the latter department.

Section agreed to.

On section 2—Minister of National Defence for Air may be appointed.

Mr. STIRLING: There are two remarks I desire to make in regard to this whole section. Subsection 2, leaving out the redundant words, reads:

He shall . . . exercise all the powers of the Minister of National Defence and in respect of any matter affecting both the air service and any other service. . . .

Surely there should be some qualification of the word "service" in the second phrase. Does it mean "any defence service"?

Mr. MACKENZIE KING: Defence service is what is meant.

Mr. HANSON (York-Sunbury): The word should be inserted.

Mr. STIRLING: With regard to the rest of subsection 2 and subsection 3, it appears to me to be uncommonly like dual responsibility. I am not suggesting that these two individuals who will now occupy those two positions are in the least likely to fall out in their work, but after all this will become a statute and it appears to me that in other times it might easily happen that dual responsibility would produce an uncomfortable situation.

With regard to the second part of the objection I am raising, I believe it has always been the custom in the past, in the absence of a minister, for one of his colleagues to be delegated to do his work. If that practice were continued, I scarcely see the necessity for subsection 3. The dual responsibility as it is at present written seems to me a matter which should be explained. If there be some very strong reason for arranging it in this way I think the reason might be given to us.

Mr. POWER: When this bill was drafted we were faced with exactly the difficulty which has been presented to us by the hon. member for Yale (Mr. Stirling) and by other hon. members during the course of the debate this afternoon. There is no doubt that it would be almost a calamity to have three separate and distinct services. It might result, as it did in Great Britain, in bringing about the necessity of having a Minister of Defence on top of them, and then on top of him again a Minister of Coordination. So that we were faced with the problem of having this famous unity in diversity of which so much is said in another sphere of action. It was decided that the Minister of Defence for Air should have exclusive right and jurisdiction so far as air is concerned. As my colleague the Minister of Finance (Mr. Ralston) put it to me when we were discussing this bill, in matters of air you take off your hat to nobody. In matters of the general defence of Canada—take the extreme case of an invasion—it would then be necessary for the Minister of National Defence for Air to consult with the Minister of National Defence as to the manner in which the air force would be placed at the disposal of the Minister of National Defence. If it so happened that they disagreed, then the Minister of National Defence would be the one who would have the final judgment and decision, subject again to the cabinet. Outside of that I do not know of any other contingency in which there would be subordination. But there must be, as I think the committee will recognize, the utmost cooperation.

Fortunately, in this particular instance, at any rate at the inception of the scheme and until Providence or the House of Commons or the people of Canada dispose otherwise, the two persons most interested are able and willing to work in the closest possible cooperation and coordination. My relations with the Minister of National Defence are such that I have no difficulty in working in the closest possible cooperation with him. There are branches of the Department of National Defence which have to do with air; we could not at once effect an absolute separation. Pay services, medical services, legal services, perhaps a half dozen others are examples; if we set up a separate air ministry, all that would have to be changed. It will be worked out quietly, with sufficient expedition and sufficient authority in the air minister to permit him to carry on the duties with which he is being charged by this parliament.

I see the difficulty raised by my hon. friend and were I in his place I would make the same observation. He is familiar with the proceedings of the cabinet and knows very well that it is quite possible by order in council to appoint an alternate minister or one to act for another minister, and probably my hon. friend the leader of the opposition, able lawyer as he is, will agree that it is bad parliamentary draftsmanship to set out the motive of any piece of legislation in a section of the bill itself. That is what happens in this particular instance, but in order to ensure the coordination of the defence services and the continued administration within the Department of National Defence, the two alternate. That is in order that the principle be preserved that the Department of National Defence has to remain, if possible, as a national defence department. It will be observed that this particular branch or department for air is constituted only as a war-time measure until such time as under the War Measures Act the state of war is declared to be ended and six months thereafter. After that the future of this department will be in the judgment of the parliament and the government of that day. But it was felt that to meet a war-time necessity one man should be charged with the responsibility of carrying out this work of air defence and offense if needs be.

Mr. HARRIS (Danforth): Now that the banns have been published, let us get on with the marriage. Let us get on with this job of work that the new minister has to perform. My first question is, may we consider the announcement made yesterday by the Prime Minister as a proclamation that this ministry is now established, or must we wait for a few days until such time as we can have the proclamation issued through the *Canada Gazette?*

The second question I should like to ask the minister-designate is whether the securing of the clothing, supplies and other material which will be required in order that his department may function quickly and efficiently will be under his energetic review or under the review of the Minister of National Defence.

Mr. POWER: Everything required by the air force will be secured through requisitions made by the Minister of National Defence for Air, directed to the Minister of Supply. If he does not get what he wants quickly he will talk to the Minister of Supply.

Mr. HARRIS (Danforth): The other question is about the proclamation, as to how quickly it can be issued.

Mr. MACKENZIE KING: As my hon. friend is aware, the bill has to be passed by the other house and receive the royal assent before

an appointment can be made under its provisions. I have asked the leader of the government in the senate if he would make it a point of seeing that there is no adjournment of the senate until after the bill leaves this house so that, if the senate is agreeable, it might there pass through all its stages this afternoon. We would then endeavour to get immediate assent, and the minister would assume office at once thereafter. Once the bill becomes an act of this parliament, an order in council will be passed at the earliest possible moment appointing the minister.

Mr. HARRIS (Danforth): And he will function in the meantime?

Mr. MACKENZIE KING: Quite so.

Mr. HANSON (York-Sunbury): Together with my associate, the hon. member for Yale, I have studied this bill and we are quite satisfied with it and with the object the government has in view. However, I think there should be an amendment in line 27, inserting the word "defence" after the word "other" and before the word "service." I think that is the intention. The section would then read:

—and in respect of any matter affecting both the air service and any other defence service—

Mr. POWER: Otherwise it covers a little too much territory.

Mr. HANSON (York-Sunbury): I think so.

Mr. RALSTON: I move, seconded by the Minister of Public Works, that the bill be amended in line 27 by inserting after the word "other" the word "defence."

Amendment agreed to.

Section as amended agreed to.

On section 3—Appointment of additional deputy ministers.

Mr. HANSON (York-Sunbury): I am not criticizing the appointment of the deputy ministers, but I should like the Prime Minister or the minister for air defence, as I prefer to call him, to tell the committee what is the status of General LaFleche.

Mr. MACKENZIE KING: At the present time General LaFleche is acting as military attache at the Canadian legation at Paris. As my hon. friend is no doubt aware, General LaFleche was granted leave of absence for some time on account of illness. It was realized that his ill health was due in no small measure to the great burden that had been placed on him as the one deputy head of the department. Provision was accordingly made by order in council on September 9, 1939, for the appointment of two acting associate deputy ministers. More recently a third acting associate deputy minister has been appointed. General LaFleche remains deputy minister of the department, but at the present time is absent on leave, and his place is being filled by three acting associate deputies.

Mr. HANSON (York-Sunbury): Is it intended to perpetuate that situation? Is it intended that General LaFleche shall return to the department and that this shall be a temporary measure?

Mr. MACKENZIE KING: I cannot tell my hon. friend what may take place in the future. That will depend on the state of health of General LaFleche and the situation as it may develop meanwhile.

Mr. BROOKS: This bill provides for the length of time the minister shall hold office. Will the deputy minister cease to hold office after the minister has completed his work? There is no provision for that in the bill.

Mr. POWER: Frankly the question does rather puzzle me, though I do not think there would be very much difficulty in connection with the air service. This bill provides that "when a Minister of National Defence for Air has been appointed, the duties of the deputy minister for the air service shall be such as are specified by such minister, and the powers of such deputy shall be such as might have been exercisable by him if there were a separate department for the air service." I take that to mean that when the minister disappears the powers which he has specified as those allotted to the deputy minister would disappear also. However, that question should be looked into. My hon. friend the leader of the opposition shakes his head, and he may be right; frankly I cannot answer the question offhand.

Mr. HANSON (York-Sunbury): I appreciate the point raised by the hon. member for Royal; it is certainly well taken. You create an air ministry and provide for the demise of the minister—of course I do not mean that literally—but you make no provision for getting rid of these associate deputy ministers. You may find that you have them on your hands. I would suggest to my hon. friend that he immediately draft something to meet that situation.

Mr. MACKENZIE KING: I think the point could be pretty well covered by the order in council appointing the deputy.

Mr. HANSON (York-Sunbury): But you are going to operate under a statute, and it will supersede the order in council.

Mr. POWER: As my hon. friend the Minister of Finance points out, with the organization once completed—and after all, we will always have an air force—in all probability it will call for a civilian head such as a deputy minister, just as not so very long ago there was a deputy minister for naval affairs and a deputy minister of militia, and just as in the Department of National Revenue there are three men of equal rank. There will be no difficulty about the man who is to act as deputy minister for air at the present time. Our problem will be to keep Mr. Duncan for a greater length of time than that for which he has contracted. I know he has no idea of remaining permanently in the civil service. His services are extremely valuable, and we hope to be able to retain them for a longer period than was originally anticipated.

Mr. HANSON (York-Sunbury): That does not settle the question. The office is still there and, if I have any knowledge of human nature, if it is vacant there will be someone who will want a job and my hon. friend will find great difficulty in withstanding the pressure. As a matter of fact at this moment I see a number of hon. members looking very much interested.

Section agreed to.

Bill reported.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, there are some points which possibly I should have mentioned on the debate on second reading because they relate to the principle of the bill. However I shall not speak at any length on the third reading, because I believe there is another bill in reference to the air force which deals more specifically with the details of the division of the work between the Department of National Defence and the new air ministry.

What do the people of Canada think of the public men in all parties who during the past twenty years have been more or less responsible, in one degree or another, for the absolutely defenceless position in which the people of Canada find themselves? On this occasion I do not rise to criticize Bill No. 15. Criticism is a tonic which stimulates governments to action. In the past month Britain and France have learned this to their sorrow from bitter experience and learned that constructive criticism prevents governments from relaxing into blunders which are nothing but suicide. So long as criticism is honest and founded on facts and not inspired by any ulterior political motive, it is more helpful and urgent and necessary in war time than in peace.

This is the darkest hour of the war and we do not yet know to whom this country will belong at the end of this year. Those two glorious countries, Britain and France, have to go it alone for freedom. Germany has nearly 200 divisions of nearly six million men, and if they break the Maginot and other lines on the western front—as no fortifications can hold out forever when the Germans are on the march—if they break the line they will arrive at the channel ports and use pom-pom guns and huge bombing planes and awful tanks of a mechanized age, with the union of barbarism and mechanization, and the British empire may have seen its day. It is Hitler's dream; he will trample down Britain the way he did Belgium in the last war, and Finland, Poland, Holland, Belgium and Czechoslovakia in this, by the most cruel brutalities of all time.

Now in connection with our Canadian air programme: if hon. members would take the trouble to read the debates of 1937, 1938 and 1939 as reported in *Hansard* they would find that I brought this empire air scheme before the house. I pointed out at that time the danger to the civilian population of Canada. Those were the days when the Germans were trying to establish a base on Anticosti island and Hudson bay. If the Germans can cross the channel Hitler will be in a position to treat Britain the way he treated Belgium, Poland, Czechoslovakia, Holland and Finland. It is too bad the people of Canada have not been more alert in the matter of its air force. Had we been more active we could have saved civilization.

The unfortunate truth is that in the past year and a half nine times out of ten we have been too late.

> Too late, too late, will be the cry;
> Hitler and Germany passeth by.

Those are the words which might be substituted for the old evangelists' song. I repeat that nine times out of ten Canada has been too late. She was too late in her recruiting; too late in her operations respecting the Bren gun; too late in the commonwealth air training scheme; too late in respect of clothing and boots and equipment; too late in furnishing money for dependents; too late in supplying big guns and Bren guns and modern rifles and munitions; too late in dealing with the fifth column; too late in making a national register; too late getting a survey of industrial and economic power; too late in organizing large and small plants for the manufacture of munitions and aircraft; too late in preventing the menace which arises from magazines printed in the United States and from United States radio programmes which are sent into Canada every day to destroy the morale of the Canadian people.

I have in my hand a pictorial United States publication, the *Daily News* of May 22, which

can be bought in the Chateau Laurier and at any newsstand in Ottawa, with big headings, "Nazis drive to channel—Trap Million Allies —Threaten Britain." It operates against the morale of our people, and particularly the women in Canada. In the present and other issues of the paper I have before me they criticize the British government, the empire training plan, and many other matters. Nine or ten times last year I asked ministers of the government to stop these United States propagandist alien and anti-ally papers. It is most dangerous to permit them to enter the country.

While in connection with our air scheme it is of tremendous importance that we have the splendid support of our friends across the border, still we must face the fact that so far as our air force is concerned they are not willing to help us or help the allies. Their policy to-day is that which follows the Johnson act, the Ludlow resolution and the neutrality legislation and the resolution in the senate of the United States, which I read some time ago. They are back to the days of the policy of their first presidents, George Washington and Andrew Jackson, and take the stand that they will go to war only if they are attacked or invaded.

We realize that there are a great many splendid people living in the United States, and my only reason for mentioning the point at this time is that the subject has been discussed in the United States house of representatives and senate. Not long ago the German ambassador addressed a meeting of citizens in the city of Cleveland, and during the course of his observation, pointing towards lake Erie and lake Ontario, he said, "Those people in Britain ought to surrender parts of their country; they ought to give up Gibraltar, the Cape and Hong Kong; they ought to give up the West Indies, and should not be interested in the great Singapore base"—in which unfortunately Canada is not represented.

We realize that the United States is a neutral country. It is to be hoped that in connection with the present aid to the Allies they will no longer act the part of the Levite and pass by on the other side, only to come back later and say, "We are willing to pull the smaller nations out of the pit, but only on a cash-and-carry plan." It has also been indicated by some of the members of the senate and house of representatives that Britain should give up Bermuda, the West Indies, and, one says Canada, for the war debt and munitions. Aid from America to crush the dictators may come too late for civilization.

The minister (Mr. Power) has been very active. We know that he served during the first great war with a Toronto unit, and I know that the people up there have a great deal of regard for him in military matters. I hope his record as minister of the new department will be as good as it was as a soldier in the last war.

While head of the city of Toronto in the last war I helped secure the Royal Air Force headquarters for Toronto. During the last war 18,000 pilots and mechanics were trained in Toronto. At that time different action was taken. Those in authority took over the best buildings connected with the university of Toronto and public schools, and established camps at Armour heights and four or five other places. The work done in Canada at that time was of tremendous advantage to the mother country. It is my hope that the minister's record will be as good as that of the Royal Air Force in the last war, as set out in Mr. Carnegie's book dealing with the Royal Air Force. It was a wonderful achievement from 1915 to 1918.

Canada has been fortunate in getting a magnificent type of recruit, in this war, and I am certain that had the suggestions for an air scheme for Canadian youth made in 1937, 1938 and 1939 been adopted, we would have at least 5,000 trained pilots here to-day. In those years many high school boys were riding the rods and looking for employment. If they had been signed up in the national service and air plan they could have been given clothing and lodging, pocket money and deferred pay, and at the end of a three-year period, which would have ended in May of this year, we would have had at least five thousand pilots. We would have had at our disposal men with air training, and in the meantime they would have had proper care.

It is not yet too late to take this matter of national service for the air force into consideration, and I hope the minister will discuss it with boards of education throughout the country. Three years ago a boy in Belleville found himself in trouble because he gave the wrong age when he enlisted in the air force, and I brought the matter to the attention of the house and got him out. I could say that there were two or three hundred Canadians who had to go to England in cattle boats at their own expense. There are five or six of these whom I know who have received decorations over there. These Canadians are well trained and make the best pilots, as was demonstrated by the exploits of Barker, Bishop and Ray Collishaw during the great war. I hope the minister will endeavour to get Vice Air Marshal Collishaw back to help in this great air scheme and work along with Air Marshal Bishop.

The recent accidents at Trenton have done considerable harm to recruiting, and some official inquiry should be made immediately. Four boys were killed only the other day, and four others were killed last January and civilian inquests should also be held as in 1917 as well as military ones. When Trenton was chosen and Camp Borden closed up it was stated that Trenton was not at all suitable because of wind conditions and other things. There should be a civil inquiry into these deaths because they have hurt recruiting. Some improvement should be made in the hospital accommodation and all that sort of thing, also for the Royal Canadian Air Force and better buildings. Why not take them under the War Measures Act.

We should have a compulsory national registry in order that we might have better success than we have been having with voluntary recruiting. Many men have been exempted and many orders have been issued exempting other groups. I believe conscription is going to become a live issue whether we like it or not unless we prosecute voluntary recruiting more diligently. We must remember there is conscription in all laws; in the Militia Act; there is conscription in education, in our economic and health laws and so on. This country should have a stock-taking of resources. We should have a complete record, a domesday book of all Canada so that each may do his part, which would provide a survey of the country and be of the greatest benefit in the defence of Canada and the empire. Conscription was not an issue in the last election because its enforcement had not been a success in the last war and more men would have been got voluntarily in 1917, but I believe we will have to go into that matter again very shortly and have a proper survey made.

Motion agreed to, and bill read the third time and passed.

THE ROYAL ASSENT

Mr. SPEAKER: I have the honour to inform the house that I have received the following communication:

Ottawa, May 22, 1940.

Sir:—

I have the honour to inform you that the Hon. Mr. Justice O. S. Crocket, acting as deputy of His Excellency the Administrator, will proceed to the Senate chamber to-day at 5.45 p.m. for the purpose of giving the royal assent to a certain bill.

I have the honour to be,
Sir,
Your obedient servant,
F. L. C. Pereira,
Acting Secretary for the
Administrator.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, May 21, consideration of the motion of Mr. Ralston that the house go into committee to consider the following resolution:

That sums not exceeding $700,000,000 be granted to His Majesty towards defraying any expenses that may be incurred by or under the authority of the governor in council during the year ending 31st March, 1941, for—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measures deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

With provision also empowering the governor in council to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money, not exceeding in the whole the sum of $700,000,000 as may be required for the purpose of defraying the aforesaid expenses, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, at eleven o'clock last night I was urging that a portion of this proposed appropriation of $700,000,000 be made available to provide for additional payments on the 1939 wheat crop at the earliest possible moment. In conclusion I wish to say that my constituents are fully aware of the gravity of the present situation. I feel sure that my people are anxious to do their utmost to carry out the provisions of paragraph (a), which provides for the security, defence, peace, order and welfare of Canada. A great many of the boys from Mackenzie are now in uniform in the various military services. At least three have served with distinction in the air force and have made the supreme sacrifice. A large group of men who served with distinction in the last great war have voluntereed their services in any capacity.

We cannot offer large industrial plants; we cannot subscribe large amounts of money for attractive government loans, but we have extensive tracts of fertile land, and there are on our Saskatchewan farms men, yes, and women and children too, who have worked and who are willing to continue to work from early morning until late at night in order to produce the foodstuffs so essential to victory. Our Canadian farmers have no intention of

holding a gun at the head of the government, as it were, and demanding unlimited profits in return for the production of foodstuffs, but I do urge that out of this $700,000,000 we spend sufficient to give the farmer an adequate return with which to pay operating expenses and provide a decent living for those engaged in agriculture.

Hon. C. D. HOWE (Minister of Transport): Mr. Speaker, the discussion of the resolution appropriating $700,000,000 for Canada's war programme would hardly be complete without a report on the work of the Department of Munitions and Supply, which will have the spending of a large part of this money. As the statement I desire to make will improve with accuracy, I trust the house will pardon me if I keep rather closely to my notes.

It seems to me that the duties and limitations of the work of the department are not generally understood. I am often asked why we have not filled every factory in Canada with orders for war equipment regardless of the cost. The complete answer to that is that before we can purchase any finished article, we must know that it is required, either by our own armed forces or by those of Great Britain and France.

Except for the purpose of carrying out its responsibility to see that Canada has on hand a supply of raw materials sufficient to meet the needs of warfare, the department does not purchase munitions of war on its own initiative. The requirements of Canada's armed forces are passed on to the board in the form of requisitions from the Department of National Defence. The governments of Great Britain and France are represented in Canada by purchasing boards, each of which passes on to the Department of Munitions and Supply the needs of their respective governments for purchases abroad. These usually take the form of general inquiries, to which the department responds with statements of the available supply in Canada, the sources of supply and the probable cost. The department is, in fact, the salesman for Canadian war materials to the governments of our allies, and is and has been doing its best to put forward Canada's potential productive capacity in a form that will attract orders.

It must be remembered that Canada's army in Britain and France, although commanded by Canadians, forms part of the British army, and has no separate lines of communication. Therefore, it is practically a necessity that our equipment be interchangeable with British equipment. This means that the armament of our troops must largely be built to British standards, and that British designs must be followed. One of our chief difficulties has been to obtain the latest British designs for mechanical equipment used by our troops in common operations. British industry has not been too willing to part with these designs, many of which represent years of study and development by private manufacturing firms.

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.

Mr. HANSON (York-Sunbury): Would the minister be good enough to tell us exactly where those plants are, and whether they are government plants?

Mr. HOWE: Plants that are tooled up?

Mr. HANSON (York-Sunbury): Yes.

Mr. HOWE: Production is going on at the government arsenal at Quebec, at Lindsay and at other points such as the National Steel Car and Massey-Harris. I will give the information later.

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.

In the matter of supplies for Canada's armed forces the department must decide whether it is desirable to initiate Canadian production or to buy abroad. This depends largely on the quantity required and whether the source of supply in Canada for a particular article is justified as a defence measure, even though production in Canada means greatly increased costs for the quantities required. Canada does not attempt to manufacture every item of equipment required by its troops overseas. By arrangement, certain items have been and will be furnished by Britain, and are being paid for in kind by shipments of other equipment more suited to our productive capacity.

Broadly speaking, there are three essentials in our war needs. Our people must obtain an adequate supply of the necessities of life; industrial output must be increased to meet

military needs; and we must have sufficient supplies of foreign exchange to buy the necessary imports of raw materials. Prior to the outbreak of the war the government had planned to meet these needs. The defence purchasing board had been established and was in operation, developing sources of supply for war materials. On the day war was declared the war-time prices and trade board was created to maintain the flow of the necessities of life. On September 15, following a plan laid down before the outbreak of war, the foreign exchange control board was in operation and has since made exchange available for materials not procurable in Canada. The work of the Department of Munitions and Supply and its predecessor boards has been and will be closely allied with the work of the war-time prices and trade board and with the foreign exchange control board, and the closest association and cooperation is being maintained.

The policy established at the inception of the defence purchasing board, of drawing on industry for its ablest personnel, has been maintained in the ministry of munitions and supply. Appointments to the latter have been entirely non-partisan and all key positions have been filled by experienced business executives. The direction of the department is assisted by the executive committee, the members of which direct policy and give their personal attention to the larger and more difficult purchasing problems. It is worthy of special mention that the members of the defence purchasing board and the war supply board have all served, and the executive committee of the Department of Munitions and Supply now serve, without salary, and a number of the department's leading executives also serve without salary.

We have called on the services of those business men who have seemed best able to perform the tasks in hand and very few who have been invited to serve have declined to do so. The Department of Munitions and Supply purchases on requisition from the Department of National Defence all such materials as that department requires. It also acts as purchasing agent in Canada for the government of Great Britain, represented here by the British purchasing board, and also for the government of France, represented here by the French purchasing board.

The department attempts to anticipate the needs of all three as far in advance as possible to the extent of having factory space available and tools and raw materials in hand. It is the duty of the Department of Munitions and Supply to see that an adequate supply of materials for war purposes is constantly available, and its economic branch carries on studies of the raw material situation constantly.

The department takes responsibility for the purchasing of such materials as cloth for uniforms, chemicals for explosives, silk for parachutes and any raw material that may be difficult to obtain when requisitioned. Its economic branch studies exchange problems with a view to conserving foreign exchange wherever possible, and problems of production in an effort to obtain maximum results in Canadian industry.

Since the defence purchasing board was established in July, 1939, the Department of Munitions and Supply and its predecessor boards have purchased $225,000,000 worth of equipment, material and munitions for the Canadian army, navy and air force. In addition to this the department has placed $75,000,000 worth of equipment, material and munitions orders for Great Britain and France, making a total in orders placed of about $300,000,000. In doing so they have placed some 17,000 separate contracts. Throughout April contracts were being awarded at an average rate of 135 daily. Each of these contracts has been awarded by tender except those, relatively few in number, where it was impossible to obtain competitive bidding or in cases where the full output of an industry is required.

If the full output of an industry is required, the custom is to call in the association of the industry, if there is an association, or to call in the separate firms to determine their output in order to start the industry working at full speed. An audit of the books of each firm is made before the work is undertaken and another audit of the books is made when the contract is completed, and the price paid is the actual cost as determined by these audits, with a margin of profit which is kept to an amount consistent with that usual in the trade in ordinary competitive conditions.

Mr. MacNICOL: Do I understand that where a certain line has been purchased the department divides the whole order among all the manufacturers of that line capable of producing the article?

Mr. HOWE: That is done only where the entire output of the industry is needed. For example, in cloth we have been keeping the entire production of our textile mills running at full capacity, at least those suited to the classification. In that case we ask the industry to divide the orders among its members and depend upon the reports of the government auditors to fix the price when the order is completed. Those that have not been awarded by tender have all received the severe scrutiny

of men who are not in the strict sense of the word government employees but are serving on the executive committee of the department without salary. In other words, one or more members of the executive committee of the department are required to initial any order placed except as a result of competitive tender where the low tender has been accepted.

The cost plus form of contract has been eliminated and where competitive prices cannot be established auditing firms are retained to examine manufacturers' costs to determine a fair price for the product. At times the suppliers' books are audited by chartered accountants both before the contract is completed and afterwards. All profits are kept to a level consistent with the competitive situation.

It is possible that there are better ways of allotting government contracts than by awarding the work to the lowest tenderer, but no one knows a better means of safeguarding the public interest. Business is placed without competitive tender only when a situation is found that will not permit of competitive tenders being obtained, or when fair prices have been established in the locality by recent competitive tender. Where we have a recent tender for a certain amount of goods, and further goods of the same kind are required, the practice is sometimes followed of extending an order at the previous competitive price.

Our purchasing organization is required to buy a great variety of products. A continuing problem is to keep up with demands for clothing.

To give you a few figures: Our factories have delivered up to a few days ago over 400,000 blankets, 125,000 pairs of boots, 270,000 shirts, 775,000 pairs of socks, 155,000 uniform blouses and jackets, and 190,000 uniform trousers.

Mr. BROOKS: Did all these goods pass inspection?

Mr. HOWE: They have all been inspected by the inspection branch of the Department of National Defence. I am giving the figures of accepted goods.

Mr. BROOKS: All the shoes have been inspected and passed by the inspectors?

Mr. HOWE: Quite. They all go through the inspection rooms of the Department of National Defence.

Mr. HANSON (York-Sunbury): Well, they have the inspectors in the factory.

Mr. HOWE: Other clothing orders are current which will keep our textile and finishing industries busy to capacity for months to come. So far as needs will permit, clothing orders have been placed on the basis of continuous production for the duration of the war. That is particularly so as regards the air training scheme. Our weekly rate of production of these articles is about as follows:

Blankets	20,000
Boots	20,000 pairs
Battle dress uniforms	5,000 suits
Socks	40,000 pairs
Underwear	30,000 suits

Production is now under way of shells and their components ranging from small arms and ammunition, anti-aircraft shells and field gun ammunition to heavy artillery shells. Machine guns are being made in Canada, and the expansion of facilities for the production of anti-aircraft guns and field artillery is proceeding. Some half dozen firms are now directly interested in different phases of gun production, in which activity prior to the war had been confined to the limited field of small arms manufacture in a government arsenal.

Behind this activity stand the heavy metal industry and the machine tool manufacturers of Canada. Our plants have largely been equipped by the domestic tool manufacturers. In addition the vast quantity of inspection gauges necessary to the certification and acceptance of munitions of all kinds is being supplied through Canadian sources. Many thousands of gauges of infinite precision have already been delivered.

All these activities are based in the ultimate analysis on the primary steel and non-ferrous metal industries. Steel furnace capacity has been increased by some hundreds of thousands of tons since the outbreak of war.

Canada's favourable position in the non-ferrous metals as compared with 1918 is well recognized. New facilities are being created for the extensive supply of these and other raw materials which go to the manufacture of munitions.

Eight Canadian plants are at present engaged in the manufacture of 2,250,000 shells. These plants have been equipped with modern shell-making equipment. Within a few days an additional 2,250,000 shell order will be placed. Thus within a few days twelve or more Canadian firms will be engaged in the manufacture of 4,500,000 shells. I might say by way of comparison that in the seventeenth month of the great war Canada shipped 5,380,000 shells to England—which was a very excellent record at that time. We have placed orders up to the present time for only about the same quantity, which will mean that when that time is reached, based on present orders we shall have delivered about the same amount as had been delivered in the last war. The difference is, of course, that we have installed much more modern

machinery, we have larger plants engaged in the business, and the business is not distributed to anything like the extent that it was in the last war. If we had the business to place, relative to our productive capacity, that we had in the last war, we could, of course, supply Britain with many times the quantities of shells that we supplied in the last war.

The shells which Canada now makes or will make in the immediate future include 40 millimetre, 18-pounder, 25-pounder, 3·7 inch, 4·5 inch, 6 inch, and 9·2 inch shells. In order to make the shells complete, Canadian plants are at present engaged in the manufacture of corresponding quantities of cartridge cases, fuses, primers and other requisites. Some sixty different Canadian companies are engaged in this work. The dominion arsenals are also engaged in certain special munition work for the United Kingdom.

Excluding certain explosives orders, for which the capacity of the dominion is being rapidly increased, contracts totalling more than $40,000,000 have been placed for these munitions, including 100,000,000 rounds of small arms ammunition, individual gun barrels, anti-tank carriages, and other items. I might say that that item of 100,000,000 rounds of small arms ammunition has been very greatly increased since these notes were prepared.

Mr. BROOKS: How many of these plants for the manufacture of munitions, shells, cases, and boxes are located in the maritime provinces?

Mr. HOWE: I cannot say, I am sure. I cannot remember offhand the number. A great many people say that they cannot come to me and get orders for munitions. My reply is this: I am greatly interested in just one thing, and that is getting the best material available in the shortest time and at the lowest price. I am prepared to open the doors of any department of munitions supply. You can discuss your problem with the chief, you can tell him what your plant is, you can tell him where your difficulty is. He can, perhaps, help you to remove it. If he can, and if you can get your price down so as to produce competitively with other plants, you will get shell orders; if you cannot, you will not.

My hon. friend the leader of the opposition, speaking in the debate on the address in reply to the speech from the throne, said that he knew of a prominent Canadian manufacturer who was seeking aeroplane orders and could not get them. He did not disclose why he could not get them, but the implication was, either that we did not like the person applying, or that there was something wrong with his political stripe.

Mr. HANSON (York-Sunbury): That is your own implication, not mine.

Mr. HOWE: If my hon. friend will examine the book I laid on the table to-day, he will find that, in the first place, the firm to which he referred have had a good many million dollars' worth of orders from the war supply board, and in the second place, their difficulty is very much the same as that of a great many other manufacturers applying for orders: they have not put themselves in a position to supply goods of the quality desired in the time required and at a price consistent with the level of production that we are able to obtain in this country.

Mr. BROOKS: I do not want to interrupt too much, but we have had very few orders in the maritimes. I am sure the minister does not wish to intimate that we cannot manufacture as quickly or as cheaply or as well in the maritime provinces as in other parts of Canada.

Mr. HOWE: What I say applies to every part of Canada; these orders go out so widely. They are placed by competitive tender; or, if they are not placed by competitive tender, the entire industry in Canada is canvassed to see who is available to handle the business. Possibly one reason why not so many orders have gone to the maritime provinces is that the principal steel industry there is shipping direct to Great Britain on orders secured well before the war. I think some seventy-five to eighty per cent of the output of the Dominion Iron and Steel Company is being shipped direct from Sydney to Great Britain without passing through the war supply board. If there are other factories in the maritimes capable of doing this work, the doors of the Department of Munitions and Supply are wide open to them and we shall be very glad to help them place themselves in a position to manufacture the type of equipment that is going. I may say that the textile mills in the maritimes are, to my knowledge, operating at full blast; I have yet to recall any manufacturer in the maritimes who has called on me for assistance since I have been associated with this board in the last several months.

We now have some 250 separate construction projects under way, including coastal defences, fortifications, hangars and submarine defences for our harbours and waterways. Outside of the work of the Department of Munitions and Supply, the Departments of

Transport and Public Works are assisting by taking over the direction of certain other construction projects. The Department of Public Works is building naval and military structures of the type usually built by them for these service departments. The Department of Transport, owing to the fact that it has trained personnel and experience in building airports, has become responsible for preliminary surveys, land purchases and construction of airports required for the British empire air training programme. Under this plan the Department of Transport is charged with the provision of the necessary airports for training purposes. Of the fifty-one terminal and intermediate aerodromes on the Trans-Canada airway and its feeder lines, thirty-four are being utilized in this programme. These airports were designed for commercial transport flying, with landing strips or runways. For training purposes a larger usable area is desirable; on all of these thirty-four fields a considerable amount of grading will be necessary, and on most of them additional hard-surfaced runways will also be provided. It will be necessary to establish fifty-four completely new aerodromes, more particularly for the advanced flying training, bombing, gunnery and navigation schools. In all there are eighty-eight projects, involving an expenditure of approximately $19,000,000 for development.

The selection of suitable sites for the new fields was put in hand immediately the new training scheme was approved. In all some seventeen hundred sites were examined. A preliminary survey was made of 195, and out of these 102 were selected for more detailed survey. Complete topographical and development plans have been completed on fifty-three new fields, and tenders have been called for twenty-nine of these. Seventeen jobs were already under way, and it is expected that development work on practically all the projects will be completed during 1940. In the meantime the existing fields are available and many are being used for training purposes.

We are spending some $14,000,000 on the purchase of some nine thousand motor vehicles. Some three thousand of these vehicles have now been delivered overseas, and the seven thousand vehicles required by the first and second divisions will all be delivered overseas by July.

The orders placed for ships in Canadian shipyards aggregated on April 30 approximately $47,000,000, involving a programme extending into 1941. Of this amount, approximately $43,000,000 will be expended in Canada for Canadian labour and material, and the balance either in Great Britain or the United States. It is rather remarkable that on an order for warships only $4,000,000 out of $47,000,000 is required to be expended outside the borders of Canada.

Mr. MacNICOL: I assume a large number of the ships to which the minister now refers are either trawlers or mine-layers or mine-sweepers?

Mr. HOWE: In general the bulk of the order is in two classes: one, the mine-sweeper type costing about $550,000; and the other, what is known as the anti-submarine, whale-catcher type, costing something over $500,000. In addition we have a variety of smaller service boats, but I think there are ninety-four in all of the two types I have mentioned.

Mr. RALSTON: Costing about $500,000 apiece.

Mr. HOWE: Yes, $500,000 apiece. This programme directly and indirectly involves a personnel, exclusive of supervisory and office forces which will vary during the programme, of from 10,000 to 17,000 persons. Every shipyard in Canada has orders for warships that will use the full capacity of the yard until midsummer of next year. A number of ships have been requisitioned from our merchant marine and other services and have been armed and converted to war use.

Mr. HANSON (York-Sunbury): Is that convoy purposes?

Mr. HOWE: Well, a variety of purposes; certain ships for convoy purposes, and others for mine-sweeping and certain other service vessels.

Our navy now consists of some ninety-four ships, ranging from destroyers to patrol boats and service vessels. At the end of the present fiscal year it will have been increased to some 242 ships. Except for destroyers, these added ships will have been built by Canadian shipyards, or requisitioned, and converted in Canadian shipyards.

Our aeroplane division has been exceedingly busy in arranging for the purchase of fighting and bombing planes for the Royal Canadian Air Force, for some five thousand aeroplanes required for the British commonwealth air training plan, and for the plant necessary for the overhaul of planes and engines during the training period. The production of aeroplanes in Canada has been expanded to a point where 1,028 planes will be built in Canada during the current year and 1,583 in 1941.

Mr. MacNICOL: Will the planes be built completely in Canada, including the manufacture of engines?

Mr. HOWE: I am coming to that a little later, if my friend will bear with me.

The progress of the industry can be judged by noting that in 1934 Canadian production was eighteen aircraft; in 1935, 58; in 1936, 109; in 1937, 110, and in 1938, 282.

Mr. HANSON (York-Sunbury): Pretty small.

Mr. HOWE: An industry is in operation for the manufacture of aeroplane instruments in Canada, and is being rapidly expanded.

In May, 1940, there were 5,711 employees in aircraft plants in Canada, and it is anticipated that this number will be increased to 20,000, based on orders now in hand in the industry.

Aeroplane engines are not manufactured in Canada, and are at present the limiting factor in the further development of our aircraft industry. Extensive study has been given to obtaining a source of aeroplane engines within Canada, and negotiations are proceeding for the establishment in Canada of a large plant for the manufacture of aeroplane engines. This problem presents great difficulties, as is evidenced by the fact that practically all aeroplane engines used on this continent come from three or four sources of supply in the United States and two or three in Great Britain. The production of aeroplane engines involves enormous capital investment, extensive patent rights and a degree of engineering skill not readily obtained. In addition to the Canadian production, arrangements have been made to obtain aeroplanes in the United States and Great Britain, and deliveries are now being made according to schedule. Aeroplane engines for our own production are being obtained from the same sources.

I may say that from time to time we have bought in advance the engines which might be reasonably required under the plans we could see in hand. We contracted in good time for all the aeroplanes required for the air training plan according to the early schedule, both for installation in the machines that we were building or ordering from abroad and for spares during the training period. Since then, of course, the British government has moved into the United States market and contracted for the entire production of aeroplane engines for some time to come, and has arranged also to expand aeroplane factories there. The stepping up of our industry on short notice is, of course, made very difficult by that situation. In the last few days I have been able to discuss the situation with one British and two United States manufacturers of aeroplane engines. They tell me that the engine production in the United States is expanding very rapidly and that it will be only for a matter of months that the production of aeroplane engines will continue to be the bottle-neck of the industry.

Of course the question that we have been asking all manufacturers of aeroplane engines for some months has been, "Why can you not move part of your plant to Canada?" It has been explained to us that the difficulty is in training the technical staff. Apparently the building of aeroplane engines is a highly specialized industry. I was told by a manufacturer only yesterday that he could double his plant in the United States and get production in four or five months, whereas to build a plant in Canada production would take at least from eighteen months to two years. That, I think, explains the difficulty we have met in trying to work out any practical arrangement for the manufacture of aeroplane engines in Canada.

Another difficulty, of course, is the wide variety of sizes of engines we use in this country. One might say, "Well, why not turn out one size of engine and try to standardize your aircraft to the use of that size?" To do so, would very seriously hold back the development of the production of aeroplane engines in this country. Large plants that are in production are able to work up from one size of production to the next size and keep up with the development of the science of flying. Therefore, even if we spent two years in tooling up for one particular size of engine, we might find when we came into production that this type had ceased to be useful in fighting aircraft. I am simply pointing out the tremendous advantage that lies with a plant in continuous production in keeping up with the present situation, as compared with building a plant from the ground up.

To overhaul planes and engines, which is being made a civil occupation under the air training scheme, will involve about 5,600 craftsmen in addition to the 40,000 personnel mentioned for the air training scheme itself. Buildings for overhaul work are being constructed or reconditioned and equipped by the department at an estimated cost of about $4,500,000. These plants are located in various centres from coast to coast, convenient to air force operations.

Our explosives and chemical division has had under study the problem of supplying basic and important raw materials. In some instances we have had to purchase raw materials; in others we have taken steps to augment the supply from Canadian industry and from abroad. Our explosives programme is being rapidly developed. The first unit, involving a capital expenditure of $10,000,000 in plant,

is well under way, and an annual production valued at $17,000,000 is expected to commence in the early autumn. Some 1,200 to 1,400 men will be employed in this project when operations commence. This plant will produce 12,000 tons of cordite and 15,000 tons of TNT as its capacity. Arrangements have been practically consummated for another large plant of approximately the same size, and it is expected that construction will start immediately. The capital expenditure on the latter plant will be approximately $10,000,000.

In addition to these new plants, the existing plants of Canadian Industries Limited at Beloeil are running to full capacity on TNT and cordite. At the present time negotiations are being carried on for an extension of the Beloeil plant, to increase the manufacture of propellants required in small arms ammunition, which will be utilized by the Quebec arsenal and the small arms ammunition plant of Dominion Industries Limited at Brownsburg. Toluol is being obtained from all immediately available sources in Canada, and new sources are being developed. This toluol, with the exception of what is required in Canada for the manufacture of TNT, is being exported to Great Britain. After September, all the toluol produced in Canada will be required for the manufacture of TNT in Canada.

Arrangements have been completed for the construction of a plant to produce hexachlorethane, which is a component of smoke-producing mixtures. We are also dealing with inquiries for very large quantities of ammonium nitrate and certain other chemicals which will be used in the explosives programme and for export to Great Britain. Arrangements have been practically concluded for the establishment of a plant to manufacture activated carbon for gas masks to meet Canadian requirements and for export to Great Britain. I might add that we have been manufacturing the gas masks for some time but have had to obtain our activated carbon partly from Great Britain and partly from the United States.

In order to purchase quickly and efficiently, we have to know exactly what Canadian plants can produce and exactly the type of production to which their equipment might be diverted. By the end of last March the plant survey division had completed 2,200 plant inspections. We have on file a fair estimate of the present and potential capacity of Canada to produce any given war material. The immediate availability of this information has resulted in substantial savings to the country on many contracts.

[Mr. Howe.]

The work of the Department of Munitions and Supply is expanding and will continue to expand as our industrial capacity continues to be absorbed in supplying war needs. It is inevitable that our production can be stepped up only gradually. It takes time to provide machines and to tool up for a new type of production; it takes time to prepare plans and specifications for ships and for coast defence projects; it takes time to organize sources of supply for our new aviation industry; it takes a longer time to build new factories for the production of machine guns, heavy artillery and explosives. The fact that we have been able to place orders for some $300,000,000 worth of war supplies within nine months is an indication that Canada has an enormous industrial capacity and a wide range of production.

I should point out that purchases by the Department of Munitions and Supply and its predecessor boards do not include the purchase of such products as wheat, bacon, cheese, lumber, copper, zinc, nickel and aluminum, which are purchased for direct import by Great Britain. These are handled by other agencies of government, and are in addition to purchases made by the Department of Munitions and Supply.

The Department of Munitions and Supply follows the pattern of its predecessor boards in being entirely non-partisan. Its directing heads and employees have been appointed entirely without political consideration. Its purchases have been awarded to the low tenderer or, where tenders are impossible, to those best able to supply the material at lowest cost. Its transactions are open to the fullest possible scrutiny of parliament subject to limitations that the public interest must not be jeopardized. I am satisfied that all its transactions have been conducted honestly and I take full responsibility for them all. If mistakes have been made, they have been errors of judgment on the part of men qualified by training and experience to exercise sound judgment on the problems before them.

Canadian industry has shown every disposition to cooperate with the department. The department is clothed with extraordinary powers to deal with industry reluctant to fulfil its requirements and with industry not willing to produce at reasonable prices, but these powers have not as yet been exercised in a drastic way, as the need for such action has not arisen. The industrial tempo is rising rapidly, involving increasing difficulties to the department. It is inevitable that the personnel of the department will be expanding for some time to come and that supply

and exchange problems will come increasingly to the fore. If we can continue to obtain the services of the type of men that are directing the work at present and have directed it in the past, we can feel confident of meeting these problems as they arise.

In closing, I wish to pay a tribute to the industrial leaders of Canada who have given and are giving their full time to the work of the department without salary, many of them paying their own living expenses. These men bring to the work of the department a wealth of experience that cannot be purchased and a devotion to duty that has been outstanding. I also wish to thank those industrial firms who have placed valued employees in the service of the department without expense to the department. Many of our key positions are filled by men of this type. I also wish to express my appreciation of the work of the rank and file of the department, who have been working long hours, without complaint, in order that there may be no undue delay in meeting our war requirements. Whether the Department of Munitions and Supply is doing all that it could do in the present crisis is for others to judge, but I can say this, that if it is not doing all that it could do, the reason is not lack of effort on the part of its personnel.

I wish to acknowledge the splendid cooperation of Canadian industry with the Department of Munitions and Supply. Industrial management has placed itself at the disposal of the department in a way that has made for most harmonious relations and has tended to facilitate the work of the department to the fullest possible extent. Labour relations on the work of the department have been placed in the hands of an experienced labour leader, who is working in close association with the Minister of Labour, and his efforts have been most helpful.

I feel confident that all branches of industry—labour, management and capital—will continue to cooperate to the end that nothing will interfere with the successful prosecution of the war.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, on Monday evening at five minutes to eleven I was speaking, and consented to the adjournment on the understanding that at a later time I might have five or ten minutes more.

It is all very well for the Minister of Transport (Mr. Howe) to give the report he has given to-day. In my opinion he has done good work in connection with civil aviation in Canada. But the minister and the government say that for three years they have known that war was imminent. Last spring I read to the house commitments made by Great Britain to many countries in Europe, and at that time it appeared certain that war would be upon us in six months, because when Britain was at war Canada was at war. Yet the government did nothing. I asked if a survey could be made of large and small industrial plants in Canada, and yet we know that minister after minister told us nothing had been done. A football was made of the question of a national register of man power, food, economic and industrial power.

The Minister of Transport must have known, as I then said, that Britain had two thousand less merchant ships to carry food and munitions than in 1914; and he knew, too, that the Minister of Agriculture (Mr. Gardiner) had refused to create storage reservoirs in England, despite his knowledge of the effect of submarine warfare in the last war. What did the government do? Canadian National merchant ships which had cost one or two million dollars were sold for less than $50,000 and, in many cases, without tenders. That is the way Canada treated the imminence of war and the question of shipping, so vital to the empire.

The war supply board is all right, as far as it goes, but we know it is honeycombed with red tape, and the man with the small plant has not got much of the business. What has been the benefit received by the air force from the war supply board? How many of those factories are turning out aeroplanes? How many are turning out heavy tanks or bombing planes? The government has not yet received a Bren gun; in fact there are many things they have not received. I say the first order which should be given to-night is an order under the Militia Act to mobilize all the militia in Canada for all military districts from coast to coast for active service. Call out the militia at once for active service in all Canada. Secondly, a home guard of returned men and others should be formed, because we know it is badly needed in every municipality. Australia has this system. True, home defence is not as important in Canada as it is in England where they are only about twenty-six miles away from the guns and are more liable to air attack; besides, there are 40,000,000 civilians to protect in England. It is all very well for people in Canada to depend upon the protection of the mother country on land, sea and in the air, but it is quite a different thing when you have not that protection.

In order to provide for a home guard three measures would have to be amended, namely, the Militia Act, the War Measures

Act and the criminal code, and through those amendments we would empower the mayors of municipalities throughout Canada to form home guards for purposes of protection. The home guards should be backed by legislation and financial support, and rifles should be provided.

In recent years we have had cause to notice how some people from other countries have come to Canada. For instance, we know that von Ribbentrop lived in Ottawa for three years, where he was a social lion. I used to see him at the football and hockey games here and elsewhere.

An hon. MEMBER: Why didn't you hit him on the head?

Mr. CHURCH: He was received in some of the big homes; for Ottawa never knows what the rest of the community is thinking; at times he was in fact a society favourite in Ottawa. He got all those nice ideas and, one fine day, departed for parts unknown. Another one of those famous German ministers used to work on public works. When he came to Canada first he worked for a short time in the sewers and on roadway work in Ontario and in the west. Spies have been all over Canada. I read of their work in Canada in some American and other papers. I say something should be done along the lines of setting up a home guard for the protection of our people and of our empire along these lines; then this kind of propaganda would be stopped.

It is all very well for some people to say that they want peace. Canada wants peace, too, but we realize that we can have peace only through a more vigorous prosecution of the war, and that prosecution must take place throughout all the provinces of Canada. Let us see to it that our effort is not hindered or hampered. Canada's war effort can be carried out properly only when we have courageous leadership. Canada is being asked to make sacrifices because of this situation. Hitler is not going to be beaten because lights are being kept burning in a number of Ottawa buildings, because orders in council are being passed or because blue books are being issued to show what a war board is doing. It will take more than that to beat Hitler. This government refused to have a proper survey made of the manpower, the economic power, the food power and the industrial power of this country. If that had been done two years ago when Great Britain started rearming, conditions to-day might be different. Hitler is not going to be beaten by majorities in parliament or by parliamentary repartee. He can be beaten only by a great national service, by sacrifices on the part of every man, woman and child in Canada. That is the only way in which we can pull our full weight in the boat.

I do not know what will be the fate of this country and no one knows to whom this country will belong at the end of the year should Great Britain lose the war. Canada is the next objective in this fight to a finish. So long as this war is on, Canada must do something all along the line. The only issue in this resolution is how the government of the day has been discharging the public trust which the country put in their hands. In times like these, if the government rises to the situation, it will have the unanimous support of every individual in this house. Canada is willing to make any sacrifice provided she is told that it is necessary. During the course of a war which may engulf all countries, the people are ready to give the government maximum support with minimum criticism.

The main question being asked by the man in the street is: How goes the war? This house should make its only business the prosecution of this war. A number of boards and commissions have been set up, but the government have failed all along the line. They seem to have underestimated the patriotism of the Canadian people. The government have left undone many of the things they should have done, and have done many things they should not have done. For three years the government saw that war was imminent, but they did nothing but talk and pursue a policy of neutrality and isolation. The two cardinal principles of our belated efforts on defence were:

(a) A skeleton of a defence force for home defence.

(b) To protect our neutrality, depending on the United States for maritime freedom.

Here are the Liberal party principles of external policy, as laid down by the Prime Minister himself:

1. The principle which must be followed in formulating Canada's external policy is the preservation of unity in Canada as a nation.

2. The foreign policy of Canada, generally speaking, does not lie in her relations with the League of Nations but in her relations with the United Kingdom and the United States.

3. Canada must, as a rule, keep in the background, in Geneva or elsewhere, whenever European or Asiatic interests are discussed.

4. Canada is in no way bound to adopt military sanctions imposed by the League of Nations, neither is she bound to defend any other member of the Commonwealth.

5. Canada is in no way bound to apply economic sanctions imposed by the League of Nations.

But it did apply sanctions against Italy and this action drove Italy into German arms. The next principle reads:

6. In future, before accepting to participate in any military or economic sanctions, or in any war, the Canadian government will have to secure the approval of parliament or the Canadian people.

On May 24, 1938, the Prime Minister spoke as follows in the house:

At present danger of attack upon Canada is minor in degree and second hand in origin.

Then on March 30, 1939, another debate took place in which I participated, at which the Prime Minister said:

One strategic fact is clear: The days of great expeditionary forces of infantry crossing the oceans are not likely to recur. Two years ago, I expressed in this house the view that it was extremely doubtful if any of the British dominions would ever send another expeditionary force to England.

That statement was made just a little over a year ago.

Then on March 31, 1939, the Minister of Justice (Mr. Lapointe) stated that he agreed with what had been said by the leader of the opposition (Mr. Manion) and the Prime Minister. I should like to quote the remarks of the Minister of Justice as they appear on page 2468 of *Hansard* of March 31, 1939:

I read in the *Magazine Digest* of January, 1939, a translation of an article that appeared in the great newspaper *Candide* of Paris, by one of the ministers of Austria under the former Chancellor von Schuschnigg, a confidante of Schuschnigg, who gave details of a conversation that took place between the former chancellor and Herr Hitler at the famous interview at Berchtesgaden before the invasion of Austria. May I be permitted to quote these words, which appear at page 64:

"Hitler spoke plainly of the danger and the eventuality of a European war. He sketched briefly the external situation of the Reich and that of the other European states. The British empire, in his opinion, is a colossus with clay feet. The dominions would not take part in an empire war. The break-up of the empire is not only possible, but extremely likely, should war come."

But war did come. Hitler was led to believe, as the kaiser was led to believe in 1914, that the dominions would not back up the mother country. Such speeches as we had in this house on March 31 about neutrality were sent abroad to the world. Other countries were led to believe that Canada would be neutral in the face of war. The parliament of Ulster passed a unanimous resolution telling the mother country that if she were attacked by land, sea or air, the full strength of that dominion would be sent to her aid. Did Canada pass such a resolution? No. We adopted a policy of isolation. Here is a question I asked on May 18, 1939, and the reply I received from the Prime Minister:

1. Has the government taken cognizance of the remarks of the Right Honourable Neville Chamberlain and the Secretary of State for War there, as to the free city of Danzig made in the British House of Commons, and calling on the British people to sleep on their haversacks, and calling up for duty large sections of the army, navy and air force at once?

2. Will any papers on this be tabled?

3. What was Canada's reply, and what is being done about Canada's security?

Mr. Mackenzie King:

1. The government are aware of the published statement to which it is understood this question refers.

2 and 3. No communications or papers have been received regarding the statement in question made by the United Kingdom Secretary of State for War, which obviously related directly to instructions being issued to the people of the United Kingdom.

Right down to the hour of the declaration of war this government continued its pacifist policies. War will never be abolished until we have made a much better job of peace than we have. War would be further off if all the sham of Geneva had been eliminated. When men will do their duty to their neighbours, war will go. What is the use of talking as they do at Geneva, about the mote in war's eye and retaining the beam in the eye of Geneva and peace? We would be nearer peace if we got rid of all these pacts and became more critical of what we have failed to do to make a success of peace. Some of the people who are preaching pacifism are being prosecuted. A trial occurred just lately at the Ottawa assizes of certain men who might be termed provocative pacifists, a term used by Mr. Chamberlain. Article thirty-seven of the Thirty-nine articles of the Church of England states that it is lawful for Christian men at the commandment of the magistrate to wear weapons and serve in the wars. If the government is going to prosecute certain people for spreading propaganda, similar action should be taken all along the line. The regulations should be tightened up all along the line. I hope the government will be a real war government. There will be no criticism either in this house or outside if they realize the situation. In my opinion all parties in Canada will have to share the responsibility for the defenceless position in which we found ourselves when war broke out. I have been preaching this gospel since I came here in 1921, but in vain.

Mr. MacNICOL: Seeing that the house will rise in a few minutes, may I move the adjournment of the debate.

Motion agreed to and debate adjourned.

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 Administrator, 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 Administrator had been pleased to give in His Majesty's name the royal assent to the following bill:

An act to amend the Department of National Defence Act.

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

Thursday, May 23, 1940

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NATIONAL REGISTER FOR WAR PURPOSES

Mr. CHURCH:

1. Will any steps be taken at once by the government to secure a national register or modern doomsday book or survey of all the people of Canada for war and after the war purposes, and for defence, economic, industrial and other labour purposes?
2. If so, what are they?
3. Will such a proposed register include: (a) man power; (b) industrial power; (c) food power; (d) military and defence power; (e) unemployed; (f) transients?

Mr. MACKENZIE KING: This question, like all others that require a statement of government policy, will be answered as the policies of the government are announced. It is not customary to announce government policy in answer to specific questions on the order paper.

CANADIAN ACTIVE SERVICE FORCE—MEDICAL EXAMINATIONS

Mr. BRUCE:

1. How many men of the first division were reexamined before going overseas?
2. Were X-ray examinations made on enlistment?
3. How many men developed chest conditions between enlistment and going overseas?
4. Were all men examined by X-ray before going overseas?
5. Have all precautions been taken, and records kept so that proper identification may be made later when the question of pensions is being considered?
6. If so, what are they?

Mr. ROGERS:

1. All of first division were re-examined before going overseas.

2. All men not X-rayed (chest only) on enlistment have since been X-rayed (chest only).

3. During the period between date of mobilization (September 1, 1939) and 31st December, 1939, there were, among all the troops in Canada, 1,339 cases of chest conditions admitted to hospital, including bronchial pneumonia, pleurisy, asthma, emphysema, tuberculosis of the respiratory system.

4. Yes (chest only).

5. Yes.

6. A radiologists's written report and film for all cases. These reports and films are numbered with the man's number, name, unit and a serial number, and are filed at the record office in Ottawa.

ALBANY RIVER WATER DIVERSION

Mr. MacNICOL:

1. Was any representative of the government of Canada or the province of Ontario requested or authorized to introduce or discuss the diversion of the water of the Albany river watershed at the recent negotiations in Ottawa or Washington in connection with the proposed St. Lawrence river navigation and power project?

2. Was any Canadian representative, at the negotiations referred to above, directed to protest against the present diversion or the increasing of the present diversion of lake Michigan water at Chicago?

3. Was any Canadian representative, at the above referred to negotiations, directed to discuss the relation of lake Michigan to the proposed St. Lawrence navigation and power project?

Mr. MACKENZIE KING:

1. The question of the utilization of waters diverted into the great lakes and St. Lawrence system from the Albany river watershed has been under discussion between the government of Canada and the government of Ontario for many years. Articles were included in the St. Lawrence treaty signed in 1932 and also in the draft Great Lakes-St. Lawrence treaty put forward by the United States government in 1938, providing for the utilization by Canada for power purposes of all water so diverted into the great lakes system. The question has continued under discussion in subsequent negotiations.

2. The Canadian authorities have made representations on all appropriate occasions

against the excessive diversion of water from the great lakes through the Chicago sanitary canal. The United States federal government and various lake states have also pressed for its restriction. In the past ten years the diversion has been reduced by more than 5,000 cubic second feet as a result.

3. The question of control of the diversion through the Chicago sanitary canal was dealt with in the St. Lawrence treaty of 1932 and has continued to receive attention in all subsequent negotiations.

CANADIAN ACTIVE SERVICE FORCE—ENLISTMENTS, DISPOSITION AND MOBILIZATION

Mr. CHURCH:

1. How many men have enlisted in Canada by provinces: (a) for overseas; (b) for home defence?

2. How many men by contingents or divisions went overseas: (a) in the war of 1914-18; (b) and have gone to date overseas in this war?

3. How many divisions in this war have so far been mobilized, and where, and are any others contemplated?

Mr. ROGERS:

1. The following includes all enlistments C.A.S.F. which were for general service and overseas, if necessary:

All Ranks (As of 11th May, 1940)

Military District No. 1	6,751
Military District No. 2	17,500
Military District No. 3	13,385
Military District No. 4	8,345
Military District No. 5	4,910
Military District No. 6	10,721
Military District No. 7	4,477
Military District No. 10	7,099
Military District No. 11	6,848
Military District No. 12	4,718
Military District No. 13	6,041
National Defence Hdqrs	1,235
Total	92,030

2. (a) All Ranks

1914	30,885
1915	84,632
1916	164,524
1917	63,718
1918	73,124

(b) All Ranks

1st flight	7,797
2nd flight	8,193
3rd flight	7,816
4th flight	2,473

3. Two divisions C.A.S.F. mobilized in various centres from coast to coast. At least one more is contemplated.

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SOLDIERS' CLOTHING IN STORAGE

Mr. MacNICOL:

1. What number of soldiers' uniforms were in storage in the Toronto government stores and depots in August of each of the following years: 1936, 1937, 1938, and 1939?

2. What number of soldiers' greatcoats were in storage at above referred to stores and depots in said years?

3. What number of each of the above referred to uniforms and greatcoats were unserviceable in September, 1939, through having been (a) destroyed by moths or (b) other causes?

4. How many pairs of soldiers' boots were in serviceable condition in the above referred to stores and depots in August, 1939?

Mr. ROGERS:

	1936	1937	1938	1939
1. Breeches	1,444	1,336	876	852
Caps	3,389	4,678	2,590	3,861
Jackets	9,629	9,349	8,153	7,876
Trousers	2,912	2,513	1,911	2,864
Puttees	2,210	1,341	2,214	371

2. 1936—9,839
1937—9,842
1938—9,028
1939—8,550

3. (a) Number destroyed by moths—negligible.
(b) Average quantities condemned annually as unserviceable through fair wear and tear.

Breeches	270
Caps	750
Jackets	1,250
Trousers	800
Puttees	1,000
Greatcoats	660

4. 2,890 pairs.

DEPENDENTS' ALLOWANCE BOARD

Mr. CHURCH:

1. Who are the members of the soldiers' dependency board, when were they appointed, what are their respective salaries and duties, and what financial or other qualifications had they for such a position?

2. What instructions have been issued to them, and will a copy of same be tabled?

3. (a) How many claims have been passed, and (b) how many are pending settlement?

4. Will the government consider a system for more prompt payment through the chartered banks, the Bank of Canada or other agency?

Mr. ROGERS:

1. The duties of the members of the dependents' allowance board are set out in financial regulations and instructions for the Canadian active service force. These regulations have been laid on the table of the House and have also been promulgated in the *Canada Gazette*.

Members:

Colonel S. H. Hill—Appointed September 5th, 1939—In business in Quebec prior to 1912. On January 1st, 1912, appointed officer in the permanent active militia; served in France and was wounded there and on return to Canada served as general staff officer at various places. In 1920 was appointed director of physical training and cadet services. In 1933 transferred to London, Ontario, and served for six years as assistant adjutant and quarter master general. Retired on pension April 10th, 1939. Recalled for duty with the dependents' allowance board on September 5th, 1939.

Salary—Difference between permanent force pension and regimental pay of rank—$1,851.50 p.a.

Lieutenant-Colonel Joseph G. Raymond—Appointed September 20th, 1939—Four years active service 1914-18 War. In Canada and France company commander and adjutant. Experience in civil life—In bond and insurance business and office management with A. E. Ames & Co., and in business for himself.

Salary—Pay of rank—$4,990.50 p.a.

Mr. Arthur H. Brown—Appointed September 5th, 1939—A lawyer by profession. Holds position of secretary of Canadian Farm Loan Board. Has a wide knowledge of general conditions in Canada.

Salary—Paid by farm loan board. Receives no extra pay.

Flying Officer Walter A. Kenzie—Appointed January 17th, 1940—Lawyer by profession, gave up practice to join the forces. Has had considerable experience in handling cases of a social nature.

Salary—Pay of rank—$3,456.

Lieutenant-Commander Archibald E. Fortington, R.C.N.—Appointed March 14th, 1940—Pay Officer in the navy in the Great War. 21 years of service in the dominion civil service, trade and commerce division.

Salary—Pay of rank—$3,686.50.

Chairman, A. MacNamara—Appointed January 17th, 1940—Three years of service in Imperial Air Force and Royal Air Force, 1914-18 War. Twenty-five years with provincial government of Manitoba in administrative positions in Department of Public Works and Labour. Holds position as Deputy Minister of Public Works and Labour of that province and is on loan to the national defence department.

Salary—Receives same salary as paid by the province of Manitoba ($6,000 p.a.), plus a living allowance of $10 a day.

[Mr. Rogers.]

2. Answered by 1.

3. (a) An April 30th, 1940, 66,762 applications for payments on behalf of men in the service were in payment and of this number 16,627 were for insurance premiums only. The balance, 50,135, was the number of payments being made to dependents.

(b) As to the number of applications pending, these applications are received as men are recruited and the number varies from day to day. On April 30th, 1940, there were 802 applications under investigation all of which were of recent date.

4. There is no delay in the dispatch of cheques to dependents. Cheques are mailed so that they reach dependents on the first of each month and are cashed by any bank and many other agencies.

FARMERS' CREDITORS ARRANGEMENT ACT—SASKATCHEWAN APPLICATIONS

Mr. FLEMING:

How many applications were made in the judicial districts of Humboldt and Wynyard, in the province of Saskatchewan, for the year 1939-40, under the Farmers' Creditors Arrangement Act?

Mr. RALSTON: Eighty-seven farmers submitted applications in the judicial district of Humboldt and 132 farmers submitted applications in the judicial district of Wynyard.

NICKEL EXPORTS

Mr. COLDWELL:

1. How many tons of nickel were exported from Canada in the fiscal year ending March 31, 1940?

2. To what countries, and in what amounts to each country was the above nickel exported during each month of the fiscal year ending March 31, 1940?

3. What amounts of nickel and nickel matte were exported each month to the Falconbridge Nikkelark Aktieselskap of Kristiansand, Norway, during the fiscal year ending March 31, 1940?

Mr. MACKENZIE KING:

1. The total exports of nickel and its products for the fiscal year ending March 31, 1940, were 2,345,608 cwts. or 117,280·4 tons (of 2,000 pounds).

Exports per month were as follows: April, 187,541 cwts.; May, 227,643 cwts.; June, 159,800 cwts.; July, 172,757 cwts.; August, 149,921 cwts.; September, 263,298 cwts.; October, 228,509 cwts.; November, 204,079 cwts.; December,

169,990 cwts.; January, 205,805 cwts.; February, 171,667 cwts.; March, 204,598 cwts. Total, 2,345,608 cwts.

2. The figures below are of exports to principal countries for each month of the period April-September, 1939. Since then separate totals for shipments to individual countries of consignment are not being made public, in accordance with the practice followed by all the allied countries.

(In cwts.)	April	May	June	July	Aug.	Sept.
United Kingdom	73,790	106,580	52,296	74,671	46,606	56,599
United States	84,271	73,119	69,629	60,207	80,203	141,821
Norway	9,217	19,181	13,638	18,527	14,224	20,432
Japan	20,142	27,393	23,834	19,209	6,507	40,598
Australia	17	....	....	28	50	....
Brazil	67	850	165	....	....	....
Chile	5	491	45	48	57	684
Colombia	....	....	11	5	....	17
France	....	....	....	....	2,245	2,240
Mexico	22	....	182	....	12	....

3. In the period for which a breakdown of export figures is available, i.e., April-September, 1939, the only nickel exported to Norway was in the form of nickel matte for refining. The figures given for Norway in reply to question 2 above are therefore entirely for exports of nickel matte. It is understood that these exports were destined to the Falconbridge Nikkelverk Refinery of Kristiansand, Norway. All exports of nickel from Norway since the outbreak of the war were subject to arrangements negotiated between the United Kingdom Ministry of Economic Warfare and the Falconbridge Nikkelverk Refinery. With the German invasion of Norway, shipments of nickel matte from Canada ceased immediately.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN BACON BOARD

Mr. McGREGOR:

1. Who are the members of the Canadian bacon board and what is the occupation of each?

2. Does the bacon board deduct and retain a portion of the price paid by Great Britain for Canadian pork products exported to that country?

3. If so, how much per 100 pounds?

4. When were such deductions first made?

5. What is the total of such deductions to date?

6. What amount, if any, of Wiltshire sides and other pork products intended for shipment to Great Britain is now being held in cold storage in Canada?

7. By whom are the storage charges on the above being paid?

8. What is the total of such charges to date?

9. How many pounds of fresh pork have been imported into Canada from the United States in each of the last sixteen months?

10. What rate of duty was imposed upon such importations?

11. Was a drawback of duty allowed on any of such imports?

12. If so, on what amount?

13. What is the amount of such drawback to date?

ENLISTED MEN RETURNED TO CANADA

Mr. BRUCE:

1. How many enlisted men and officers, who went overseas either with the first division or subsequently, have been returned to Canada?

2. Why were they returned?

3. Have they since been discharged from the army?

4. Will they be entitled to pensions?

5. If so, to what amount?

MONTREAL CONSTRUCTION COMPANY—SHELL PRODUCTION

Mr. HOMUTH:

1. How many shells of each size have been produced by the Montreal Construction Company pursuant to the contract awarded to them on November 17, 1937?

2. What prices have been paid for these shells?

3. What further orders for shells have been given to the Montreal Construction Company by the government?

4. What prices have been paid for such further shells or what amounts have been contracted for?

5. Under what date or dates were these further contracts awarded, and by what means?

6. What is the total amount paid out or contracted for by the government for machinery to equip the plant of the Montreal Construction Company?

7. What amount of money is still owing to the Montreal Construction Company in respect to its original contract?

CANADIAN NATIONAL RAILWAYS—MONTREAL TERMINAL

Mr. BRUCE:

1. What is the total of the expenditures made by the Canadian National Railways on the Montreal Terminal project up to March 31, 1940, under the authority of the vote of last session for the expenditure of $4,200,000?

2. What contracts or other commitments have the Canadian National Railways entered into in this connection, covering sums which are not yet due or paid, but which are not included in the answer to the previous question?

3. In view of the present crisis, is it the intention of the government to authorize the Canadian National Railways to continue with this programme, which was stated in the first session of 1939, to contemplate expenditures of $12,600,000 during the fiscal years ending March 31, 1940, 1941 and 1942?

4. Will the government obtain from the management of the Canadian National Railways and publish drawings and descriptions of the station building which it is proposed to erect under the $12,600,000 project?

5. Will the government obtain from the management of the Canadian National Railways and publish plans and descriptions of all other work to be carried out by the Canadian National Railways under the $12,600,000 project?

6. Does the contemplated expenditure of $12,600,000 cover: (a) the conversion of the Bonaventure station area into a local freight delivery terminal; (b) the rearrangement of the Canadian National Railways freight yard at Turcotte?

7. Does the $12,600,000 project correct the lack of a connection between the east end and west end freight yards of the Canadian National Railways which was stated by the officers of the railways to be a major operating disability?

8. Does the $12,600,000 project cover the foreseeable requirements of the Canadian National Railways in connection with its Montreal terminals?

9. Is it the intention of the government to authorize the Canadian National Railways to treat this project as a first instalment of the execution of the so-called Palmer project, which was estimated to cost in excess of $50,000,000?

10. When will the Canadian National Railways suspend electric passenger car service on the Victoria bridge, and substitute a transfer of passengers at the south end of that bridge from electric tramway cars to train, as outlined in published descriptions of the $12,600,000 project?

11. In making the decision to proceed with improvements to their Montreal terminals, did the officers of the Canadian National Railways consult with the management of the Canadian Pacific Railway to ascertain whether the city of Montreal could be given equal or better terminal facilities at a less cost to the public by cooperative action between the two companies as contemplated under the Canadian National-Canadian Pacific Act, 1933?

[Mr. Homuth.]

VOLUNTARY SERVICE—UTILIZATION OF MAN-POWER

Mr. HARRIS (Danforth):

1. Is the government using all available voluntary service of man-power in Canada to help in the war effort? If so, how?

2. Is the government using all available voluntary service of woman-power to help in the war effort? If so, how?

3. How many men over the age of 21 are registered with the voluntary service bureau?

4. How many women over the age of 21 are registered with the voluntary service bureau?

5. How many Canadians under the age of 21 are registered with the voluntary service bureau?

6. Under what categories are the voluntary service lists being indexed?

CANADIAN FARM LOAN BOARD—SASKATCHEWAN

Mr. FLEMING:

1. How many loans were applied for under the Canadian Farm Loan Board in the province of Saskatchewan in 1939-40?

2. How many part-time appraisers did the Canadian Farm Loan Board employ in the province of Saskatchewan in 1939-40?

3. What are the names, the salaries, the expense accounts of the part-time appraisers, and of the full-time appraisers, in the province of Saskatchewan, under the Farm Loan Board?

Mr. RALSTON: Return tabled.

PENSIONS FOR THE BLIND—SASKATCHEWAN

Mr. FLEMING:

1. How many persons were examined in 1939-40 in the province of Saskatchewan for pensions for the blind?

2. How many were granted a pension for the blind in 1939-40 in the province of Saskatchewan?

3. Who are the examiners for the pensions for the blind in the province of Saskatchewan?

4. What salary does each examiner receive?

5. How much remuneration did each such examiner receive in the province of Saskatchewan in 1939-40?

6. How much of a contribution did the dominion government make to the province of Saskatchewan in the year 1939-40, for pensions for the blind?

RIOTING IN SASKATCHEWAN

INQUIRY AS TO RECENT DEMONSTRATIONS BY SOLDIERS AND CIVILIANS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, has the attention of the government been drawn to the damage to property and danger to life occasioned by rioting in which civilians and uniformed soldiers participated in Regina on the evening of Thursday, May 16? If so, what steps are being

taken to investigate the causes and prevent recurrences of a similar nature? I gave notice of the question yesterday.

Hon. NORMAN McL. ROGERS (Minister of National Defence): I received notice of this question before coming into the chamber. The facts reported to me are as follows:

On May 16 last the district officer commanding military district No. 12 heard a rumour to the effect that some trouble might be expected between soldiers stationed in Regina and the German element in the east end of the city. He immediately called a conference of all commanding officers and acquainted them with the situation.

Later on the same evening between 80 and 100 soldiers congregated in the east end of Regina and despite the fact officers attempted to stop them they proceeded first to the Ukrainian labour temple, then to the Canadian German club where certain damage was done to hangings, furniture and glass. From here they carried on to the Austrian Kitchen where equipment was damaged and windows broken. The total damage was reported to be in the neighbourhood of $3,400.

At this point the district officer commanding met the soldiers involved and persuaded them to return to their quarters. Large crowds had gathered and apparently those actively engaged in the disturbance were incited and encouraged by civilian sympathizers. The mayor and chief of police were interviewed and they decided that in the best interests of all concerned no action would be taken by the civil authorities. Meanwhile the military authorities endeavoured to trace the ringleaders. Demonstrations were continued on the night of the 17th, damage being done to the Metropole hotel, the Regina hotel, the *Courier*, and Fuhrman's butcher shop. As on the previous occasion the soldiers (about fifty in number) were again apparently encouraged by a large number of civilian sympathizers.

The efforts of the military and civil police were greatly handicapped by the civilians massed about the scenes of the demonstrations which also made the apprehension of the culprits extremely difficult. The civilian police were unable to keep the crowds on the move. No arrests were made by the civil authorities, but a number of soldiers were taken into custody by the military pickets. As a result all troops were confined to barracks and strong pickets sent out to patrol the streets. The garrison was paraded and spoken to by the district officer commanding and further precautions taken against any repetition.

On Sunday, May 19, about twenty soldiers did about $300 damage to an out-of-the-way Chinese cafe in Saskatoon. This is at the moment the subject of a court of inquiry. Three ringleaders were put under arrest by the military police. This raid occupied only about five minutes. On the night of the 19th a group of four to six soldiers—presumably on leave—did some damage at Estevan. The police were unable to identify the participants, so that no further action could be taken.

Mr. CHURCH: Get these men overseas and there won't be any rioting.

SUBVERSIVE ACTIVITIES

DEFENCE OF CANADA REGULATIONS—APPLICATION TO ENEMY ALIENS

On the orders of the day:

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I desire to make a statement on the subject matter connected with the question which has just been answered. This information has particular reference to the defence of Canada regulations, and deals with enemy aliens.

The police have for the past several years been watching closely the activities of foreign-controlled organizations in Canada. Prior to the outbreak of war, on the 14th March, 1938, the government appointed a committee under the chairmanship of the under-secretary of state, Doctor E. H. Coleman, to make representations to the government as to what should be done in the event of war with respect to the persons of enemy nationality resident in Canada. The committee prepared a report and suggested certain regulations, which were subsequently incorporated as regulations 24, 25 and 26 of the defence of Canada regulations.

The committee recommended that all enemy aliens in Canada, so long as they peacefully pursue their ordinary avocations, should be allowed to continue to enjoy the protection of the law and should be accorded the respect and consideration due to peaceful and law-abiding citizens, and that they should not be arrested, detained or interfered with, provided they comply with the requirements in respect of registration prescribed in the regulations, unless there was reasonable ground to believe that they had been engaged in espionage or were engaging or attempting to engage in acts of a hostile nature, or in giving or attempting to give information to the enemy, or unless they otherwise contravened any law.

It was known to the police prior to the outbreak of war that some enemy aliens were engaging in activities which in the event of war would be prejudicial to the interests or safety of the state. Some persons who were actively engaged in furthering the nazi cause

in Canada were persons who had become, during the course of their residence in Canada, naturalized British subjects. These persons, therefore, could not be dealt with under the provisions of the law relating to enemy aliens. They were, therefore, dealt with under the provisions of regulation 21, which provides that the Minister of Justice may, with a view to preventing any person from acting in any manner prejudicial to the public safety or the safety of the state, direct that he be detained in such place and under such conditions as the minister may from time to time determine.

At the beginning of the war it was necessary to use this regulation to take into custody not only persons who were naturalized British subjects of enemy origin but also enemy aliens, who had been engaged or were suspected of engaging in acts of a nature which might be prejudicial to the state or of assistance to the enemy. The Minister of Justice was advised, with a view to preventing particular persons from acting in any manner prejudicial to the public safety, that they be detained immediately.

The first group dealt with were German nationals resident in Canada who were either known or suspected to be members of the German national socialist party (N.S.D.A.P.). Each member of this party undertakes to obey implicitly and without question the orders of the German fuehrer and of his representatives. This organization is a compact and rigidly disciplined body and its members were regarded as dangerous persons in the conditions now prevailing.

A second class of persons whose detention was recommended consisted of male members of the Deutsche Arbeitsfront (D.A.F.), which is an affiliate of the N.S.D.A.P. This group consists of German nationals who describe themselves in their application for membership as true followers of the fuehrer.

A third group whose arrest was ordered consisted of German nationals resident in Canada not known to be formally members of either the N.S.D.A.P. or the Arbeitsfront, but who from their political and social associations, business and industrial connections and other opportunities for espionage were considered to be persons who could not safely be allowed at large in time of war.

The fourth class of persons arrested consisted of a number of naturalized Canadians of German birth or racial origin who had so identified themselves with nazi propagandist activities in this country that it was felt that they could not be regarded as loyal citizens of Canada. These persons were persons of influence in their community and were the leaders of the Deutscher Bund Kanada who had been conspicuous in their attempts to disseminate German culture among Canadians of German origin.

While the Minister of Justice felt at the time that as a precautionary measure these persons should be arrested, he was also aware of the fact that probably many of them could safely be released under suitable sureties of good conduct if subsequent inquiries established that they should no longer be regarded as dangerous persons.

The number of persons originally recommended to the Minister of Justice for arrest consisted of 265 German nationals and 60 naturalized Canadians of German origin. It was felt also that persons in this last category whose conduct had been such as to warrant their continued detention under regulation 21 should be investigated as to their status under the Naturalization Act and that if such persons were considered dangerous in time of war and could not be released, proceedings should be taken to revoke their naturalization with a view to deportation from Canada at the close of hostilities.

It will be noted that of the number originally ordered detained under regulation 21, two hundred and sixty-five would in the ordinary course have been interned under the provisions of the regulations dealing with enemy aliens and steps will be taken to deal with these persons hereafter under the provisions of the regulations dealing with enemy aliens.

Under the enemy alien provisions registration was undertaken by the registrar general, who is the commissioner of the Royal Canadian Mounted Police. The following is a statistical statement of the operations carried on by the registrar general of enemy aliens:

Enemy alien registrations:

Male	12,483
Female	4,160
Total	16,643

Note: Figures for male and female registrations are estimated, i.e., females 25 per cent of total, males 75 per cent of total.

Surveillance: Enemy aliens are required to report as often as their local registrar considers necessary. Practically all report in person once per month.

Exemption certificates issued: Of the total number of enemy aliens registered, 4,322 have been issued with exemption certificates.

Male	3,242
Female	1,080

Note: Sex divisions estimated on same basis as registrations.

These exemptions were granted to people from Czechoslovakia and to other similar refugees. The figures continue:

Exeats: Exeats granted for permanent residence outside Canada:

Male	16
Female	12
Total	28

Total exeats granted both sexes for visits to United States, 202.

Internments:

Total internments	406
Released to date	145
Total now interned	261
Males	260
Females	1

Note: Figures for total males now interned include two who escaped, were recaptured, and are now in Kingston penitentiary.

All enemy aliens who are not interned report monthly or very frequently to the police. All reports of enemy aliens are centralized with the Royal Canadian Mounted Police at Ottawa and a continuous check is made on the activities of these persons.

The interdepartmental committee is still reconsidering the whole question and any needed change will be effected.

With regard to firearms, I am sure that hon. members of the house have received many telegrams, as I have, with regard to this question. On October 11, 1939, by P.C. 3042, it was provided that the possession of firearms or any ammunition therefor or of any dynamite, gunpowder or other dangerous explosive within Canada by any enemy alien is prohibited.

It was further provided that every such enemy alien within Canada having in his possession or upon his premises any firearm, or ammunition therefor or any dynamite, gunpowder or other dangerous explosive should within ten days of the publication of the order in the *Canada Gazette* cause such firearm, ammunition, dynamite, gunpowder or other dangerous explosive to be delivered to a justice of the peace residing or to an officer or constable of a police force of a province or city in or near the locality where such firearm, ammunition, et cetera, is had in possession, or to an officer or constable of the Royal Canadian Mounted Police.

The order further provides that if any enemy alien within Canada is reasonably suspected of having in his possession or upon his premises any firearm, ammunition, et cetera, he may be searched or his premises or any place occupied or believed to be occupied by him may be searched by any peace officer or by any officer or constable of the Royal Canadian Mounted Police without warrant, and if any firearm, ammunition, et cetera, is found, it shall be seized, and if the search and seizure takes place after the ten day period mentioned in the first part of the order, the property so seized may be forfeited to the crown and the person who has failed to carry out the order is liable to a penalty not exceeding $500 or to imprisonment for any term not exceeding three months.

The order further provides that it shall be an offence for any person to give, sell, hire, lease or transfer possession of any firearm, ammunition, dynamite, gunpowder or other dangerous explosive to any enemy alien and any person guilty of such an offence shall be liable to a penalty not exceeding $100 or to imprisonment for any term not not exceeding one month.

Under this order in council the commissioner of the Royal Canadian Mounted Police has reported that enemy aliens have given up possession of firearms, ammunition, et cetera. Consideration is being given by the government to the extension of this order to all aliens residing in the country. The police are keeping a close check on the activities of all such persons.

The Royal Canadian Mounted Police has a uniformed strength of 2,450. Steps are being taken to increase the number to such an extent that every eventuality will be taken care of. The commissioner has this matter in hand at the present time.

Regulations 39, 39A, 39B and 62: Regulation 39 of the defence of Canada regulations prohibits, amongst other things, the spreading of reports or making of statements which are intended or likely to be prejudicial to the safety of the state or the efficient prosecution of the war, and regulation 39A prohibits, amongst other things, the printing, publishing, distribution of any document containing any material, report or statement intended or likely to be prejudicial to the safety of the state or the efficient prosecution of the war. These two regulations are, generally, enforced under the direction of the attorney general of the province on information furnished through either the Royal Canadian Mounted Police, the provincial or municipal police, all of whom are constantly carrying on investigations in this respect. Under these regulations, particularly 39A, there have been, throughout Canada, numerous prosecutions.

Paragraphs 4 and 5 of regulation 62 prohibit associations, organizations or societies from committing acts prohibited under regulations 39 and 39A. and provide, in certain cases, that the court may declare such associations, organizations, or societies to be illegal ones.

Under this regulation the communist party of Canada was, under a judgment of Mr. Justice Chevrier of the Supreme Court of Ontario on May 15, 1940, declared to be an illegal organization, with the result that every one who after the date of the said judgment, if confirmed, continues to be or becomes an officer or member of the communist party of Canada or professes to be such, or who advocates or defends the acts, principles or policies of the communist party of Canada, is guilty of an offence against the defence of Canada regulations and liable on summary conviction to a fine not exceeding $500 or to imprisonment for a term not exceeding twelve months, or to both fine and imprisonment, or liable upon conviction by indictment to a fine not exceeding $5,000 or to imprisonment for a term not exceeding five years or to both fine and imprisonment.

It is, of course, to be understood that regulations 39, 39A and 62 apply to all persons, whether British or alien.

By way of summary I desire to point out the following:

1. The law and the regulations as they stand cover all possible eventualities.

2. The Royal Canadian Mounted Police and their secret service are in complete control of the situation, both present and as it may develop.

3. Persons of present enemy origin suspected of nazi activities have been interned.

4. Persons of potential enemy origin are known and are being closely watched.

5. The overwhelming majority of foreign-born citizens are passionately anti-nazi.

6. Any cessation of labour or diversion of effort to deal with matters that are being and can only be handled by the police would be helping the enemy.

7. Any persecution of racial minorities in this country is unworthy of our people, and foreign to our traditions and our national spirit.

8. In addition to the measures that have been taken, all military precautions have been instituted to safeguard public works, communications, transport facilities, and other property from sabotage or so-called fifth column activities.

May I add in conclusion that it is the intention to have all these matters submitted to a committee of the house for consideration and recommendation as to any changes that may appear to be desirable.

Mr. HANSON (York-Sunbury): Mr. Speaker, just one question arising out of the minister's statement. Would he be good enough to tell the house whether any of these reported 14,000 odd enemy aliens are in the employ of the dominion government?

[Mr. E. Lapointe.]

Mr. LAPOINTE (Quebec East): I hope not, but I cannot answer that question.

Mr. HANSON (York-Sunbury): I think he will find that some are.

ENEMY ALIENS—USE OF SERVICES OF WAR VETERANS

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): Mr. Speaker, in view of the statement just made by the Minister of Justice and the many communications received by myself and by other hon. members with respect to enemy aliens in this country would it be possible for the government to give some indication of its attitude with respect to using returned men in that connection?

Hon. NORMAN McL. ROGERS (Minister of National Defence): The further use of veterans of the last war is receiving the attention of the two departments chiefly concerned, the Department of National Defence and the Department of Justice, and I might add the Department of Pensions and National Health. I hope shortly to be able to make a further announcement as to the specific plans that may be adopted to that end.

Mr. LOCKHART: May I have the pleasure of handing to the minister certain communications that might be helpful?

Mr. ROGERS: Certainly.

NATIONAL DEFENCE

POSSIBLE DEVELOPMENT IN THE NIAGARA DISTRICT FOR ACCOMMODATION OF TROOPS

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): Mr. Speaker, may I direct an inquiry to the Minister of National Defence (Mr. Rogers), which perhaps he may not be able to answer to-day. In the light of the statement made yesterday by the Minister of Transport (Mr. Howe) that a number of large construction programmes are being carried on, I would ask the minister whether in view of the set-up in the Niagara-on-the-Lake district which has been established over a long period of years a development is likely to take place there to house a large number of troops.

Hon. NORMAN McL. ROGERS (Minister of National Defence): I shall be glad to take note of the question and give my hon. friend an answer to the question as soon as possible.

EUROPEAN WAR

POLICY OF THE GOVERNMENT WITH RESPECT TO CARE OF REFUGEE CHILDREN

On the orders of the day:

Mr. T. L. CHURCH (Broadview): May I ask the Minister of Immigration (Mr. Crerar) to inform the house as to the government's policy with respect to relieving the mother country of the care of a large number of refugee children from different countries of Europe.

Hon. T. A. CRERAR (Minister of Immigration): The matter is under consideration by the government. If my hon. friend will allow his question to stand I may be able to give him a fuller answer to-morrow.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to supplement immediately the answer given by my hon. colleague, by adding that the subject matter of Canada's accepting refugees has for some little time past been receiving the attention of the government. Communications have been taking place with the British government through our high commissioner's office in Great Britain. I mention this because my colleague spoke of giving an answer to-morrow, I thought the house might like to know immediately that the question has been taken up and that we are awaiting information with respect to aspects of it which the government will have to have before it can announce any definite action.

STATEMENT AS TO RECENT DEVELOPMENTS ON WESTERN FRONT

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I doubt very much, Mr. Speaker, if it would be wise on my part to attempt to give the house day by day a statement of the situation in Europe. But where there is reason for grave concern or where there may be some word of exceptional interest of an opposite character I believe it might be desirable to give such information to the house as it is received from authoritative sources. I mention that lest the house should come to expect a daily bulletin, so to speak, on the war situation. I should doubt the wisdom of that. The information being received by the government officially might be in some particulars colourless owing to the war situation continuing much the same, the country in consequence might get a wrong impression of just what is taking place from statements of the kind.

Today, however, the situation has become quite serious and I think that I ought to give to the house such official information as the government has received up to the time that I came into the chamber.

In northwestern France the conflict is waging with great intensity, but at such widely scattered points that uncertainty remains as to the exact position. The main German advance yesterday ran on the line from Cambrai through Baupaume to Albert. The main French armies had formed new defensive positions south of the Somme and Aisne rivers. The German advance forces appeared to have halted yesterday, but to-day succeeded in pushing through Abbeville up as far as Boulogne, where heavy fighting is continuing. A French counter-attack has reached Cambrai and the British forces on the Franco-Belgian border, which the Germans are seeking to cut off, have also counter-attacked strongly to the south. British air bombers have done heavy damage against German concentration centres in the Ruhr area, and along the river Meuse.

WAR APPROPRIATION BILL

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

The house resumed from Wednesday, May 22, consideration of the motion of Mr. Ralston that the house go into committee to consider the following resolution:

That sums not exceeding $700,000,000 be granted to His Majesty towards defraying any expenses that may be incurred by or under the authority of the governor in council during the year ending 31st March, 1941, for—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measures deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

With provision also empowering the governor in council to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money, not exceeding in the whole the sum of $700,000,000 as may be required for the purpose of defraying the aforesaid expenses, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, in view of the grave news that came over the air to-day and has just been given to the house by the Prime Minister (Mr.

Mackenzie King), it is with a good deal of anxiety in my heart—and all hon. members I am sure are equally anxious—that I rise to continue this debate. Nevertheless I am convinced that God Almighty will carry the British empire through this crisis as He has protected it in the past; because the British and the French empires are doing and have done more for His cause than have any other of the warring nations.

In view of the gravity of the situation I intend to shorten my remarks, leaving out much that I would otherwise have said. At the same time, having listened to the statement of the Prime Minister on Monday, and to the statements of the ministers of finance, national defence, and munitions and supply, I regard it as my duty to refer to each of those speeches, because they contain, so far as I can see, the sum total of the government's war effort, an effort which is receiving throughout the country a very great deal of criticism. I have been told by the press that the Secretary of State for the Dominions, Viscount Caldecote, has to-day issued an appeal to the dominions for aeroplanes, and has stated that one plane now will be worth ten later on. That undoubtedly is true.

Mr. MACKENZIE KING: My hon. friend will probably allow me the privilege of touching on the point that he has raised. I think it should be dealt with immediately.

Mr. MacNICOL: So long as the right hon. gentleman does not take up too much of my time.

Mr. MACKENZIE KING: No. I am sure hon. members will allow my hon. friend any loss of time I may occasion him. The government has learned through the press—I repeat, through the press—of a statement made to-day by Lord Caldecote in London, in which the dominions secretary points out the supreme immediate importance of maintaining and increasing supplies of planes and war materials. This statement is reported to have been addressed to the dominion governments.

For the information of the house I wish it to be known that no official communication of this nature has yet been received by the Canadian government. If such a message does come, we shall, of course, inform the government of the United Kingdom of our determination to do everything that is humanly possible to assist.

As a matter of fact, hon. members will wish to know that on Saturday of last week we communicated with the United Kingdom government stating that we were "willing to do everything possible to encourage and assist in the development of increased production in Canada for Allied purposes, and that Canadian manufacturers are ready to undertake to the limit of their capacity production of such supplies as can be manufactured in this country." This statement, of course, merely reaffirms what we had already said repeatedly in earlier communications to the governments of our Allies.

On the specific point of the supply of planes the house will, I know, approve the action of the government in offering, as was done on Tuesday last, to forward at once to the United Kingdom all the machines of a certain type now available in Canada. Other steps of a similar nature which it would not be expedient to describe publicly have also been taken.

I thank my hon. friend for allowing me to state the position, which I think it is important should be made known at once.

Mr. MacNICOL: As I said a moment ago, I take it that the four speeches I have alluded to contain the sum total of what the government has done in its war effort.

On May 20 the Prime Minister said that on May 10 of this year the total personnel in the Canadian active service force was 81,519, and that "in the three services"—presumably the army, the navy and the air force—the total is approximately 100,000 men. With reference to the air service alone the Prime Minister stated that there are 10,926 airmen—which number includes, I assume, not only the aviators but everyone associated with them—or 12,315 of all ranks. Yet of all these men enlisted for the air service, only a single squadron, No. 110, is overseas. Further, of eighty-odd thousand men in the army and naval services, a single division is overseas, consisting of a total of 23,678 men.

Then the Prime Minister referred to Newfoundland. I have a recollection that in September last he made the statement that Canada was going to take care of or to assist in the defence of Newfoundland. A few days ago I met in Toronto a gentleman associated with the administration of Newfoundland, and I asked him if that promise had been carried out, particularly in relation to the strait of Belle Isle and Saint John harbour. He may not have had complete information, but he told me that in neither case has Canada assisted in Newfoundland's defence.

Mr. MACKENZIE KING: Oh, well, he could not possibly have full knowledge of the situation.

Mr. MacNICOL: Well, particularly those two, the strait of Belle Isle and the harbour of Saint John.

Mr. MACKENZIE KING: We are assisting very materially.

Mr. HANSON (York-Sunbury): Shouldn't the hon. member be allowed to make his speech?

Mr. MacNICOL: The Minister of National Defence also made some statements as to what Canada has done, but he did not give the same figures as the Prime Minister. He stated that the total enlistments in the active service forces of Canada were 72,013, or with the reinforcements, 83,394, but the Prime Minister's statement referred to the figures as of May 10, while the date the Minister of National Defence had in mind was May 20, which may account for the difference in the figures. The minister also stated that there was just one division overseas, but he said that the division on May 20 consisted of 25,692 officers and men. He also stated, as the Prime Minister had done, that there is one squadron of flyers overseas.

The Minister of Finance gave as the total of Canada's financial contribution from September 1 of last year to March 31, $112,000,000, or up to May 15, $136,000,000; and he stated that the commitments up to March 31 were $267,000,000.

Then the Minister of Transport (Mr. Howe) said that the Department of Munitions and Supply and its predecessor had purchased $225,000,000 worth of equipment. The figures do not just jibe.

Mr. RALSTON: Will my hon. friend permit me to say this? Those commitments are exclusive of pay and allowances. Of course he will understand that commitments are made now for pay and allowances for the balance of the year.

Mr. MacNICOL: I am dealing only with munitions.

Mr. RALSTON: Oh, no. My hon. friend quoted me as having said that that is the total of our financial contribution; he did not confine it to munitions.

Mr. MacNICOL: Does that include pay and allowances?

Mr. RALSTON: It does not include pay and allowances for the remainder of the year.

Mr. MacNICOL: I did not say it did. I am trying to confine my remarks to munitions. I am trying to set out that in my judgment, from the statements of the four members of the cabinet to whom I have referred, the contribution of Canada to the war effort is small.

Mr. RALSTON: My hon. friend and I never disagree. I just want to be sure that we understand each other. I understood my hon. friend to indicate that what he was giving was my statement as to the total financial contribution. He did not confine it to munitions but spoke of the total financial contribution. He stated that I said the commitments were $237,000,000 up to March 31. I am pointing out that these commitments do not include our commitments for pay and allowances.

Mr. MacNICOL: The minister's present statement does not conform to what he said. I will read what he did say:

> The house may wish to know the expenditures from September 1 to March 31. For this period the total payments on defence account were $112,000,000.

The total payments to May 15 were $136,000,000. The commitments from September 1 to March 31 in addition to pay and allowances amounted to $267,000,000, not $237,000,000 as the minister said.

Mr. RALSTON: I said that those were commitments in addition to pay and allowances.

Mr. MacNICOL: The Minister of Transport made an exhaustive speech in which there was a good deal of information. He spoke of contracts having been let to the amount of $225,000,000. I have looked carefully through the list of contracts, searching diligently for contracts pertaining to the things that men fight with. I quite agree that the materials in all these contracts are necessary. They consist largely of food supplies of all sorts, material for buildings everywhere throughout Canada, electrical equipment, heating and plumbing supplies, textiles, medical and sanitary supplies, furniture of all kinds, boots, aeroplanes and boats, railroad cars, handkerchiefs, locomotives and clothing of one sort or another—a long list of materials of every description. But I cannot find in this list of contracts anything relating to shells, rifles, tanks, bayonets, guns and so forth.

Yesterday the minister said that since these reports had appeared about 2,500,000 shells had been ordered. Something was said also to the effect that the letting of shell contracts compares favourably with the situation in 1914. I believe the point the minister was making was that the shell contracts had been let more rapidly this time than in the last war.

Mr. HOWE: No, I said about the same.

Mr. MacNICOL: But industry to-day is infinitely better equipped for making shells than it was in 1914. In 1914 industry in

Canada did not have shell making machines of consequence, and such machines as they had were slow. I was thoroughly familiar with the making of shells at that time. To-day however the shell making machines are marvellous compared with those that were in use in 1914; they are many times more rapid. In a few minutes they can turn out the very latest shells. In fact the Canadian manufacturers of shell-making machines are producing, I am told, machines that are unsurpassed anywhere in the world—which is borne out by the fact that our manufacturers are shipping shell-making machines to all parts of the empire, including large numbers to Great Britain. They are equipping whole plants over there for turning out shells of various types.

The minister spoke about the air training scheme. I sincerely regret that when we began purchasing aeroplanes, which we should have done two or three years ago or even before that, we did not try to create a plant in Canada, even if only a small pilot plant under the control of the government, for making aeroplanes in this country. I very much regret this, having been associated for so many years with working men. I hate to see this vast quantity of equipment coming from outside. Perhaps it would be better for us if a good deal more were coming in, but that does not alter the fact that we should have been able to make aeroplanes in Canada ourselves instead of merely assembling, or largely assembling them.

Mr. FRASER (Northumberland): We are making aeroplanes in Canada.

Mr. MacNICOL: No, we are not making aeroplane engines here. We should be.

Mr FRASER (Northumberland): We are building aeroplanes

Mr. MacNICOL: The hon. gentleman can get up and make his own speech; I want to finish my own. As far as I can see, in the past eight and a half months, since the outbreak of war in September last, the sum total of Canada's present war contribution at the scene of action has been, as I have stated, quoting what the Prime Minister said. After eight and a half months we have one division and one flying squadron in England, but not at the scene of action. I am going to recall 1914 for a moment. I remember the period quite well, as most members do. Everything was sailing along down stream without any thought of war, certainly not until the assassination at Sarajevo. Throughout the month of July, 1914, people went on their holidays, carried on their business as usual and pursued their customary avocations. At the end of July or beginning of August, 1914, stark tragedy faced the world. Canada was drawn into the maelstrom along with the rest of the empire, and in nine and a half months Canada had fully equipped, thoroughly armed and well dressed battalions in France to the number of 40,000 men and another 20,000 in England. I am not complaining particularly about what the government has done, but I want to show that what was done in 1914 was infinitely superior to what has so far been accomplished in this war, especially in view of the fact that prior to 1914 there were no warnings whereas prior to 1939 we had three years of warning. Great Britain and France were rearming feverishly and we should have been doing the same.

Mr. HOWDEN: Will the hon. member permit a question?

Mr. MacNICOL: This is too serious an occasion to waste time or words. What I am stating is a fact.

Mr. HOWDEN: The question would challenge the hon. gentleman's fact.

Mr. MacNICOL: Hon. members have no doubt read an article which appeared in last night's Ottawa *Journal;* I have it here. After nine months, it states, in 1914 we had 40,000 men in France.

Mr. MACKENZIE KING: If the hon. gentleman wishes to make the comparison fairly, perhaps he will tell us what was done in 1914 so far as naval defence was concerned, and also what was done by air at that time.

Mr. HANSON (York-Sunbury): I do not think the Prime Minister should say that.

Mr. MacNICOL: In reply to the Prime Minister's question with regard to aeroplanes in 1914, I might ask what this government did about cavalry in 1939. In 1914 aeroplanes were not the important factor they are to-day, but cavalry was very important. While I have not the figures here, I have no doubt that the Canadian government dispatched cavalry to the front in 1914.

Mr. McNEVIN: Is there any comparison between cavalry and aeroplanes?

Mr. MacNICOL: Well, if the government plant at Lindsay had been devoted to the manufacture of aeroplanes we might be turning out aeroplanes in Canada to-day, instead of having had a plant capable of giving employment to 1,500 standing idle for some years past. It is what the government has done that has occasioned the criticism that is being offered in the press across the entire dominion. There is no use denying it; the government know as well as I do what has

been said all over the country in the press and by great clubs and associations. On May 21 the St. Clair Business Men's Association of Toronto sent a telegram to the Prime Minister, a copy of which was sent to me as well. That is one of the largest business men's organizations in Canada; in the summer time it sometimes has 20,000 people present at its outings. The telegram stated:

> At a meeting of this association held to-day the following resolution was passed unanimously:
> That in the opinion of this association nothing will satisfy the people of Canada short of the use of the last ounce of energy and the last dollar in the prosecution of this war.

That is the opinion of a large business men's association. On Sunday last in this city a well known clergyman gave an address from the pulpit, a report of which appeared in the Ottawa *Journal* of Monday morning, headed:

> Declares it Time Government Woke Up.

That is public opinion, and no doubt the Prime Minister has had many telegrams and read many articles along the same line.

I should like to give one or two headings from some of our leading newspapers. This was in the Toronto *Telegram*:

> Why the Paralysis in Canada's War Effort?

The results show that there has been a paralysis, so far as placing troops in the front line is concerned. We have not a battalion in France yet, so far as I know, unless it went over within the last day or two. In the Ottawa *Citizen* of May 2 we read this:

> They have projected this controversial matter (the dominion-provincial report) into dominion and provincial politics wholly to shield the head of a government of a defenceless people.

That was the opinion of none other than the premier of Ontario, the greatest province of Canada. I have been wondering if the reason for the laxity of the government in prosecuting the war lies within the Prime Minister himself. He has been a peace loving man. Everyone should love peace, but we have to face stark war when it comes. On September 8 of last year the Prime Minister said:

> I never dreamed that the day would come when, after spending a lifetime in a continuous effort to promote and to preserve peace and goodwill in international as well as in industrial relations, it should fall to my lot to be the one to lead this Dominion of Canada into a great war.

Well, I wonder if the right hon. gentleman has been able to transmute his laudable desires for peace into a desire to promote war now that he is compelled to face war, or whether he is still consumed with the desire for peace in the face of this stark war.

Mr. MACKENZIE KING: If my hon. friend is asking me the question, I will tell him that I am trying to hasten the day when peace will come by putting forth the strongest possible effort against the greatest enemy of peace in the world to-day.

Some hon. MEMBERS: Hear, hear.

Mr. MacNICOL: If the hon. gentlemen who are applauding what the Prime Minister has just said are satisfied, after eight and a half months of war, with not having a Canadian battalion in France and not having an air squadron at the front, I can say that I am not satisfied. I maintain that ours has been a very weak war effort, and that is why we find the press and many important associations and clubs throughout Canada denouncing this government.

This is not a time for talk; in conclusion let me say this. Probably the Prime Minister is doing the best he can, but he is not surrounded by the ablest men he could select as ministers. He has some able men but there are others sitting around him who are also able. I am sure he could pick capable men, out of the rump over here or elsewhere throughout the house, to reform his cabinet into a fighting war cabinet—

Mr. SPEAKER: Order; there is too much noise in the chamber. If the hon. gentleman wishes to do so of course he may allow these interruptions, but he is entitled to proceed without being interrupted. I suggest that the noise should cease.

Mr. MacNICOL: Thank you, Mr. Speaker. If the Prime Minister wanted to reorganize his cabinet and carry on he could get a number of good men from his own following. But if I were prime minister I would not do that. I would do what the press of Canada are asking him to do, in the face of stark reality, when perhaps the empire is crumbling. I hope and pray to God that is not so, but the situation is so serious that he should be surrounded by the ablest men available. To-day the press are asking the Prime Minister to do what has been done in both France and England—to establish a national government, to surround himself with the best and ablest men in this country.

Some hon. MEMBERS: Oh, oh.

Mr. MacNICOL: Hon. members may laugh, but I am not interested in politics at this time; I do not care a fig for politics.

Some hon. MEMBERS: Oh, oh.

Mr. MacNICOL: It is not a laughing matter, either. I am interested in doing my level best and contributing what I can in the most

useful manner to assist Canada to help the empire win this war. With me that comes ahead of anything else. The great Toronto *Globe*—

Some hon. MEMBERS: Oh, oh.

Mr. MacNICOL: You may laugh at that, too, but the *Globe* is a great newspaper. Another great newspaper, the Border Cities *Star*—

Mr. MARTIN: Hear, hear.

Mr. MacNICOL: My hon. friend says "hear, hear." He is the last person I should expect to say that, in view of what this newspaper said about his leader. This is what the Border Cities *Star* had to say:

He has shown, more and more every day, that he is temperamentally unfitted to lead a country in a great war effort.

Mr. MACKENZIE KING: That was said during the recent campaign by my hon. friend's leader at that time, but the people of Canada took a different view.

Mr. MacNICOL: I certainly do not like to see the Prime Minister injecting politics into a discussion of this kind.

Some hon. MEMBERS: Oh, oh.

Mr. MacNICOL: I have refrained from politics in the course of my remarks; I have tried to be constructive and certainly I have not been recriminatory, in accordance with the suggestion made by the Prime Minister a few days ago.

In my humble judgment, which is supported by the great editors of this country, and by the great clubs and associations, the government is not giving Canada an opportunity to contribute its full strength and help to the allies in this hour of distress. The government should wake up and start again, forgetting the past and rallying behind the motherland. Cable the motherland that you are going to send them a thousand aeroplanes; cable them that you are going to send them a thousand tanks. We are not making tanks in Canada, but I could name a score of large industrial plants in this country in which tanks could be made within a reasonable length of time.

An hon. MEMBER: Oh, sure.

Mr. MacNICOL: Yes, I can. I would point out to the hon. member for Essex East (Mr. Martin), who spoke a moment ago, that there is a large plant near Windsor, an auxiliary steel plant, about a thousand feet long, and more or less than 300 feet wide, a plant which has its own blast furnaces. They may not be right up to date, but they could be brought up to date. Yet that great plant stands idle while Rome burns—and when I say "Rome" I mean France and the British empire.

Every plant and every man in Canada should be utilized, no matter what the government may be, and those plants and men should be doing their best to enable Canada, in this hour of the world's greatest need, to render to the British empire and to her gallant ally, France, the greatest possible measure of support.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, in this grave hour in the life of Canada and of the British empire and, indeed, of our Christian civilization, as a private member of the House of Commons I hesitate taking up any time at all in debate. My only reason for doing so is that I have certain suggestions to place before the government concerning our war effort—suggestions which I believe, the Canadian people as individuals would make to the government were that possible; suggestions as to which sooner or later—and I think it will be sooner—the Canadian people will compel action on the part of this or any other government which may be leading Canada.

All hon. members must feel to-day that the people of Canada are looking to us in parliament for leadership as they have never done before in the history of this young nation. Can we not keep our heads high; can we not show to our people courage, determination and initiative? I ask hon. members to do that; let us give encouragement to our people in these trying times.

My first suggestion is that recruiting should be thrown wide open, so that every fit Canadian wishing to serve in our fighting forces may do so. The government must take full advantage of the will of our people to serve. The greatest failure of the government—and in my criticism I shall try not to be destructive—in directing the war effort of Canada has been its failure to harness the enthusiasm and, further, the patriotism of the Canadian people.

We are depending on volunteers to fight for Canada overseas and to defend her at home. Volunteering must be encouraged in every way. All hon. members know what has happened; I dare say each one of us knows what has been happening in connection with recruiting. When the war broke out the men who had been in the militia were called up; they left their jobs, and then some units were either demobilized or reduced in strength; the demobilized militiamen, being out of work, were thrown back on their own resources. This is the manner in which some of the militia were treated. With respect to volunteers, at their

own expense men have come to my home city of Vancouver from as far away as the Yukon in the north and Texas in the south, anxious to volunteer and perfectly fit to serve. Yet there was no chance for them to join the Canadian forces; they were told they were not needed. In some instances names were taken and the men were told that they could come back.

In his statement the other day the Minister of National Defence (Mr. Rogers) stated, quite properly, that we must now recruit for the third division; that recruiting for that division must be opened at once. He said further that we would continue to recruit reinforcements for our first and second divisions. Of course that is of paramount importance, and I commend the government for taking that step and thus making certain that these young Canadians of ours will not be left unsupported overseas. It is proper that they be adequately reinforced.

But why can we not also recruit up to strength the other non-permanent units? For example in my own city we have the British Columbia regiment, one which perpetuates the senior fighting battalion from that province in the last war, namely the 7th battalion. That unit is not in the active service force and not mobilized. Officers have drifted away to other units and men have been sent to other units. There they are, really not in a position to render any effective service.

If the government cannot afford to carry men in units of that type on a full-time basis, let them enlist in the militia as they would have done before the war, and train in the evenings. Frankly I am afraid that the question whether or not we can afford to pay these men has entered too largely into the military plans of the government.

Mr. RALSTON: Does this resolution show it?

Mr. GREEN: Whether or not they are in the active service force, all these units will be needed. They may be required for fighting right here in Canada within the next year. They cannot be recruited up to strength too soon. Whether or not they are needed to fight here as units, the training would be invaluable. We would be building up trained forces for use in any national emergency.

In this connection we have a good example to follow in Australia. What has been done in that country? With a population two-fifths less than ours—I quote from a newspaper dispatch, dated May 20, from Canberra—they have done this:

> Intensified recruiting to form a seventh division of the second Australian imperial force was officially announced to-day.
>
> Prime Minister R. G. Menzies announced the war cabinet's decision, while Brigadier Geoffrey A. Street, National Defence Minister, simultaneously issued a public appeal to young men to enlist in the new division.
>
> "The utter ruthlessness of the German machine emphasizes the necessity of fighting to the bitter end," Brigadier Street said. "Increased recruiting can be an evidence of the allies' inflexible will to victory."

That same day in Ottawa Major General Sir William Glasgow, High Commissioner to Canada from Australia, told the Ottawa Rotary club that an estimated total of 90,000 troops would be sent abroad from Australia by June of 1941, and that a militia comprising 80,000 men was being maintained for home defence. If Canada were to have a similar force in proportion to her population, we would have 300,000 men under arms by the time specified by Sir William Glasgow.

The subject of recruiting brings me to that of training. I served in the last war, and if there is one thing that makes me heartsick about not recruiting men early enough it is the possibility that those men may go to war half-trained. That means nothing more or less than that young Canadians who would otherwise have had a chance for their lives will be killed. We cannot train a man to be a soldier in a week or a month. It took months in the last war, and it will take many more months in this one, in view of the high degree of mechanization. Those men should be given a chance to get the very best training. Now, we have this situation in British Columbia. The only way a young man can obtain training for a commission is in the officers' training corps of the university of British Columbia. That training corps, if you please, has been given orders to shut down from June 9 until September 15. One wonders whether or not there is a war on when things like that are done. Furthermore, one cannot enter that officers' training corps unless he is a graduate either of the university of British Columbia or of some other university. We have hundreds of bright young business men who are members of our junior board of trade—no doubt the same situation exists across Canada—yet many of them are not eligible for officer training. These men have shown by the success they have made of their business activities that they are leaders of men. Many of them would make excellent officer material. The officers' training plan in Canada should be enlarged at once. Certainly there should be no cessation of its activities during the summer months, with Canada facing a crisis which may mean the life or death of the nation.

My third suggestion is that immediate and drastic steps should be taken to procure equipment. Two days ago the Minister of National Defence (Mr. Rogers) stated that the enemy had a great preponderance of equipment. I think we all know that our overseas force did not leave Canada fully equipped with mechanical equipment. They had to get part of that equipment in Great Britain and apparently they had difficulty in obtaining it even there. What about our home forces, the forces that may have to fight in Canada? They cannot get equipment from Great Britain and they are entitled to the best equipment that can be manufactured in this day. We must manufacture it in Canada and perhaps purchase some in the United States or possibly in Australia. Our sister dominion has set up a system of state arsenals in which are manufactured many types of equipment which we cannot get here now; I suggest to the government that they should try to purchase certain equipment from Australia. Speaking in the house yesterday, the Minister of Transport (Mr. Howe) uttered these words:

> In the matter of supplies for Canada's armed forces the department must decide whether it is desirable to initiate Canadian production or to buy abroad. This depends largely on the quantity required and whether the source of supply in Canada for a particular article is justified as a defence measure, even though production in Canada means greatly increased costs for the quantities required.

May I say to him and to the government that every type of equipment needed to equip troops to meet this modern type of warfare is required as a defence measure in Canada, regardless of the cost, and steps should be taken to see that it is manufactured here. The minister continued:

> Canada does not attempt to manufacture every item of equipment required by its troops overseas.

I realize the difficulty and I sympathize with the minister in having to solve this problem, but I say that Canadian initiative is great, and Canadian initiative is needed here. The initiative of Canadian labour and the initiative of Canadian industry are well known, and if the government step into the job I believe we can manufacture in Canada the equipment needed to provide our troops with the most modern weapons. We may have to become the arsenal of the British empire. If Great Britain is bombed, as she may well be even within the next twenty-four hours, and the factories of the mother country are destroyed, we may have to become the arsenal for the empire. We should take steps at once to prepare ourselves to carry out that task.

[Mr. Green.]

My fourth suggestion is that we raise home defence units of the different infantry regiments, batteries and other military formations. For example, there could be a second or third battalion of the British Columbia regiment to which I have just referred. Have it understood that these units will be home defence units, and I suggest that they be thrown open to the returned soldiers of Canada. At the present time most of the non-permanent militia units perpetuate Canadian corps units. Why should we not take advantage of the spirit shown by the Canadian corps in the last war? Look at the record of that corps. Those of us who served in it are prouder of having served in the old corps than of anything else we have done in our lives. There is no reason why that same spirit cannot be put into this present effort.

The members of the Canadian corps had courage; they had determination; they had initiative. What has been the record of the returned men of Canada since the war? Time and time again, in periods of depression and of unrest, in every crisis in the life of our nation, the returned soldiers of Canada have stepped in and said, "Steady; we must face this situation in a sensible way." More than any other group they have steadied this nation since the last war. A year ago, before Canada was at war, they offered to register for service in the event of trouble, and over 60,000 returned men did so. What has been done with those registrations? Nothing at all that I know of, or at least very little. These men can be relied upon in any emergency. I do not care what comes up, they can be relied upon to do their job and to do it well. The failure to use the Canadian veteran in this war has been another grave mistake of the present government. As a home defence force they would do a great deal to bring a new spirit to the Canadian people.

My final suggestion concerns the Minister of Justice (Mr. Lapointe). I suggest to him that the Canadian people have a right to be relieved at once of worry over possible fifth column activities; in other words, they should be free from worry over treachery at home. Our people have enough trouble now without having to worry about whether or not they are going to be stabbed in the back. All those who might be treacherous are not German-born; make no mistake about that. There are other people in this country who would be just as dangerous. I realize there must be no persecution of Germans or any other group simply because they are of certain racial descent. Those of our foreign born population who are loyal—I agree with the Minister of Justice that they are in the great majority

—have a right to be cleared of suspicion, and that can be done only if the government acts in this matter.

What has been happening? A week ago to-day 2,000 people met in Vancouver and agitated for some action to meet this difficulty. To-day we heard in the house about riots in Regina over the same matter. I have always had great respect for the Minister of Justice, but in effect his answer to-day is that the matter will be referred to a committee of the house. The committee may meet next week, or it may not meet until next month and we may not get action until next fall. This is not the solution to this problem. It must be faced far more directly and far more quickly. I suggest that the Royal Canadian Mounted Police should at once not only consult but act with the authorities and police in the different provinces and municipalities. Where there is any doubt as to the intentions of an individual, action should be taken now, and the case can be fully investigated later.

Mr. MARTIN: Surely that is being done.

Mr. GREEN: If steps are not taken at once there is apt to be a breach of the peace in many parts of Canada—there have been some already—innocent people will suffer with the guilty and the nation will be thrown into an atmosphere of distrust and suspicion. I urge the government to act at once.

In conclusion all these steps, every step which I have mentioned, can be taken by the government within a few hours, and they will be taken if the members of the house insist. Private members in this house supporting the government, and they alone, can force this government to take action on these matters, and I throw out the challenge to them. They are the ones who can get action for the Canadian people at this time. The Canadian people are crying out, they are desperate for leadership. They do not want pussy-footing leadership; they want bold leadership at this time, and it must come from this house and come quickly; because upon whether or not we give leadership may depend the very survival of our nation. If we show steadiness, courage, determination, initiative, and faith in the Almighty, qualities which are common to Canadian men and women, we need have no fear that we shall have behind us in this crisis a strong united nation, and a nation that will not fail.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, since Canada entered the war this is the first opportunity I have had of making a few remarks in this chamber. I therefore ask the indulgence of the house if I take a few minutes to outline the stand which my constituents sent me here to present regarding our part in this war.

First, I believe that apart from the conscription of men for overseas service this country should bend every effort towards the successful prosecution of this war. I believe in a cooperative commonwealth. That is, I believe in a society in which the natural resources, the key industries and the financial institutions would be cooperatively owned, and democracy-managed in the interests of all the people rather than exploited by a few. But such a society depends upon the free exercise of democracy. It depends, that is to say, upon freedom of speech and of the press, collective bargaining for labour and the farmer, and the exercise of parliamentary government. Wherever nazism has raised its head, these privileges have been ruthlessly suppressed. Because I believe these principles are at stake, I am prepared to see this country bend every effort towards successful resistance of the spread of the totalitarian states.

In recent months some of my friends have accused me of being an imperialist. I am far from being an imperialist. In the history of imperialism there are pages of which very few of us can be proud, but I say solemnly, Mr. Speaker, this afternoon that only the British commonwealth of nations and her allies stand against barbarism and the extermination of everything that makes life worth living to a civilized human being.

The people of Canada are a peace-loving people. There are few who hate war as much as the Canadian people do. But they are also a freedom-loving people; and if it is necessary to fight to prevent a group of international thugs and racketeers from spreading all over the world, I believe that the Canadian people in the main are prepared to fight. They are not unmindful of the fact that many of those who are to-day asking that we join with them to fight against Hitler were partly instrumental in bringing Hitler to power. I am not unmindful of the fact that some democracies played a lamentable part in undermining collective security. I am not unmindful of the unfortunate part which the Canadian government played in the Ethiopian crisis or of the speech which the present Prime Minister (Mr. Mackenzie King) made in September, 1936, before the assembly of the league when he said that we were not in favour of "peace by coercion." We are getting coercion now. I have not forgotten that in the last four or five years we have played a very sorry part by helping to arm the aggressor nations of the world. But, Mr. Speaker, I submit that these things are past

and there can be no value in holding post mortems because the part that people who believe in democracy and who cherish our civilization should play to-day is to stand shoulder to shoulder to resist the megalomaniac who, drunk with power, now seeks to fasten his rotten and unscrupulous order upon the whole world.

The appropriation which the government now asks the house to vote is for a staggering sum of money—$700,000,000—staggering when we stop to realize that it is 40 per cent more than our entire budget has been in the past three years. It places a tremendous burden upon the taxpayers of Canada. This money is not my money; it is not the government's money; it is not the money of any member of this house. It is the money of the thousands upon thousands of Canadian people who through sales taxes and other taxes contribute to the treasury of Canada, and in contributing that money there are certain things which I believe they have a right to demand of the government and parliament in appropriating that sum.

The first is that the war shall be conducted so far as possible efficiently and competently, without any of those blunders that cause men to lose their lives or the taxpayers' money to be squandered. I was born in the British isles, but I do not believe, as some do, that British general staffs are any more infallible than any other general staff. The history of the last war, Passchendaele, Loos and the Dardanelles, prove that any general staff, no matter how brilliant, may make mistakes. Even in the last nine months in some instances it has been shown beyond the shadow of a doubt that men's lives may be lost because other men have been given responsibilities for which they were not mentally equipped. The people of Canada have a right to know, in giving this money to the government and in offering their sons' lives, that this war is being conducted efficiently and competently. The Minister of National Defence (Mr. Rogers) the other night made the plea that the government were doing their best, and he enumerated the cabinet one by one. There is not a member of this house, Mr. Speaker, who doubts at all the loyalty or integrity of any member of the government. I believe and I think we all believe that they are doing their best, and any criticism that is aimed at them is not the criticism that they are not doing their best, but whether that best is good enough. We are all going to do our best, but the Canadian people have a right to know whether our best is adequate to the situation. With that in mind I make two suggestions.

[Mr. T. C. Douglas.]

The first is that the Canadian government should ask for representation on the allied supreme war council. We should not place men and material at the disposal of military leaders, no matter how brilliant, without having some voice in the policy that will control the destiny of the men whom we are sending overseas.

The second suggestion is that there should be some method by which this house can check the efficiency and the competency of our war effort here in Canada.

There are many matters about which we cannot ask questions in this house. I suppose there is hardly an hon. member who has not some friends or constituents in the active service forces. I am sure that we have all been told different things which are far from reassuring. Even after they are trimmed of all exaggeration, and the tendency to grumble which one always finds in some quarters is taken into account, the fact remains that there are many things which we should like to know, but in the very nature of the case the questions cannot be asked, and if they were asked could not be answered. That situation might be met, as the Prime Minister suggested, by setting up a committee representing all the parties to which private and confidential information would be given. I hope that when that committee is set up, it will be continued for the duration of the war. We might go further. We might do as they have done in the British house, and hold secret sessions from time to time.

There are many matters about which we cannot ask the ministry in this house; first, because it would embarrass the ministry, and nobody wants to do that at this time; second, because even if the question could be answered in the affirmative, the mere fact that it was asked might create suspicion and undermine public confidence, and nobody wants to do that at this critical time.

Yesterday the Minister of Transport (Mr. Howe) made reference to supplies, for instance, shells. We should know how many shells we are producing a week, and the calibres. We should know the rate at which we are capable of producing them and how that rate compares with present needs. We should know what we are paying for them as compared with what other countries pay. Naturally that is confidential information and cannot be given openly.

We should know something with reference to our position here in Canada. The speaker who has just taken his seat made mention of the anxiety which is felt among the Canadian people because of the danger of "fifth column" activities. I agree with him that we should

raise in Canada a home guard, but someone might ask the more pertinent question, "Have we anything with which to arm a home guard?" This house should know—confidentially—how many rifles and machine guns could be placed in the hands of a home guard in the event of disturbances in Canada. Any hon. member who asked that question in the house and tried to embarrass the government would be doing a disservice to this country, but there should be methods by which we could ask that information and be given some assurance which we in turn could pass on to the people whom we represent.

The second thing which I think we have a right to know when this money is being voted is that, while the Canadian people are sending out men to risk their lives, and the common people are assuming an ever-increasing burden of taxes, there are no profiteers in Canada fattening themselves upon the misery and the tears of the nations at war. No one needs to go back over the story of the last war. It is not a pretty picture. One year ago the government brought down the defence purchasing act, providing for a five per cent profit on all contracts not let by tender. We in this corner supported that act and applauded it. Strange to say, the moment we came face to face with the realities of the situation and were actually at war, and even before we were at war, the provision was removed by order in council. It was like giving a man an umbrella when the sun is shining, and taking it away as soon as it begins to rain. There was tabled yesterday a list of contracts amounting to hundreds of millions of dollars. We know nothing about the terms of those contracts, about the rates of delivery, about comparison of prices. There are, for instance, cost-plus contracts in which, the minister says, a margin of profit was allowed which was usual in the industry. Well, what is the "usual" margin in the industry? Who gauges what is the usual margin? The industry? Are they the best judges?

Mr. McGREGOR: What about the five per cent?

Mr. DOUGLAS (Weyburn): The five per cent is gone, and the reason why it is gone is that on September 12 the Minister of Transport, from his place in the house, said that he and his department could not get the manufacturers of this country to accept contracts if the profits were limited to five per cent. I say, shame on any group of men who in Canada's hour of Gethsemane are not prepared to give their time, their industry and their machinery of production towards the cause of defending democracy in the world. It would seem to me, therefore, that during this session the Prime Minister might take into consideration, either the setting up of a special committee, or allowing the public accounts committee to go over those contracts so that that committee in turn can give assurance to the Canadian people that they are getting actual value for every dollar which is being spent.

With that in mind, I wish to make one or two suggestions to the government.

The first is that in our opinion you can have neither an efficient prosecution of the war nor a prosecution of the war free from profit unless you are prepared to nationalize the armaments industry in this country. In Great Britain in 1934 the Right Hon. Stanley Baldwin, as he then was, announced a rearmament programme, and for six years Great Britain has been vainly trying to catch up to the great nazi juggernaut. Yesterday, realizing that the attempts so far have not been as successful as they might have been, the British government brought in an act to conscript industry and to conscript wealth. They did more than that. They declared a one hundred per cent excess profits tax. Our excess profits tax in this country does not take even the cream off the profits. In Great Britain they decided to take away profits altogether. I make an appeal to this government not to wait until it is too late. Now is the time to conscript the armaments industry Why should the International Nickel company, for instance, using as it does great natural resources of Canada, be allowed tc make between nine and ten million dollars clear profit, as it did in the past three months, at a time when we are asking other men to go out and fight for one dollar and thirty cents a day and are requiring the Canadian people to assume great burdens of taxation?

I think the Prime Minister is to be commended for setting up a Ministry of National Defence for Air. I hope that a minister will be separately charged with the entire responsibility of the Department of Munitions and Supply. It may even be necessary, and probably this parliament, before it prorogues, should give the government the power to set up a department of aircraft production.

Another thing we might do is to conscript those industries which are producing raw material for war purposes and exporting it. I suggest that the government should take the necessary steps to do this, so as to exercise some control over where that material is going. I do not intend to burden the house with statistics. My deskmate, the hon. member for Rosetown-Biggar (Mr. Coldwell), this afternoon received an answer from the government with regard to exported nickel. For the last four years the members of this group

have checked very closely the exports of war material and have pleaded with this house again and again to stop the export of such material to aggressor nations, particularly Germany, Italy and Japan. This was not done. Now we are at war. The statistics given to us here—and I am not saying this in criticism; no other course is possible under the circumstances—with regard to the export of nickel to different countries ends with September last. In view of the war situation we are not allowed to know the names of the different countries to which nickel has been shipped; but for the period we do know anything about, between April and September, the export of nickel to Japan doubled, and we notice our total output since the outbreak of war has steadily increased, despite the fact, that belligerent nations are no longer importing our nickel. Where is the extra nickel going? To Great Britain? If so, well and good. But there are indications that war materials are going to Japan. What assurance has this house to give to the country that these raw materials for war purposes are not being transhipped to Vladivostock and thence to Germany. There may be a gentleman's agreement. I say that in this hour a gentleman's agreement is not good enough. Anyone who reads the report of the British parliamentary committee or the report of the Chamber of Deputies in France which investigated conditions in the last war knows that all through that war indirect shipments went on by which countries at war supplied one another with war material. I say to the government that the people of Canada are in no mood to be trifled with. I know nothing that would do more to put confidence, heart and enthusiasm into the Canadian people than for them to know definitely that steps were being taken to see to it that producers of war material in this country were not making profits out of nickel, scrapiron and copper finding its way into the hands of an enemy power to be used in the wounding of Canadian soldiers and in their destruction. The Canadian people have a right to know that.

I make one other suggestion. We have a right to know that while we are seeking to defend democracy in Europe we shall not be in any danger of losing it at home. I am well aware that strict measures are necessary in war time. We want no fifth column in Canada. No individual or organization that owes allegiance to a foreign power or a foreign ideology has any place in our Canadian life. At the same time the desire to prevent sabotage must not be used as a pretext to restrict our right to criticize governments and to subject governments' conduct of the war to the most rigid scrutiny. Some of the defence of Canada regulations need modification or qualification, and I think the government are to be congratulated upon setting up a committee for the purpose, although I would point out that these regulations might have been submitted to the House of Commons in September. For nine months we have been living under a set of regulations which parliament had no opportunity of examining or passing upon. Some of the radio censorship in the last election was almost ludicrous in a country that is fighting to preserve democracy, and some of the press censorship has been most puerile. Newspaper accounts of the Norwegian campaign which appeared in United States papers were carefully omitted from most of the Canadian papers. It is safe to say that the Canadian people, in the language of the street, "can take it". They do not want their news with a sugar-coating on it. They want to know, when they are given information through the press or over the radio, that they are getting the facts.

A fourth thing which the people of Canada have a right to know in voting this appropriation for carrying on the war is that this war will not be used as an excuse to lower their standard of living. We are already informed that some of the relief expenditures have been curtailed by the government. I am daily receiving letters from my constituency informing me that relief cheques supposed to be out on May 10 have not yet been issued, and in some instances where issued, they have been reduced 33 per cent. The farmers are finding all costs of production going up without a commensurate increase in their prices. People on small wages are finding that their wages are not rising in comparison with the cost of living. The common people are again beginning, through a reduced standard of living, to pay for the financing of the war.

I am aware that it takes money to fight a war. I am aware that sacrifices are involved. But I am also aware that these sacrifices could be more equally distributed than they are now. I am aware that in time of war the government needs money, but I am also aware that in Canada there is no lack of food, no lack of clothing, no lack of all those things that are necessary to give the great mass of the Canadian people a reasonably decent standard of living; and as long as those things are there, we should not be asked to use the war as an excuse to reduce the standard of living of the Canadian people.

One thing more I wish to say in conclusion. During this period of the war this parliament has been charged by the Prime Minister

with the responsibility of formulating some type of plan to meet the period of dislocation that may come after the war. It is to be hoped that will be done. One year ago young men could be seen "riding the rods" on freight trains across Canada. To-day hundreds are in his majesty's uniform. Most of us know some of these young men personally. These men are going to fight for a society that could not even give them a job. What do we propose to do with them when they come back? Do we propose to put them back on the rods? God forbid.

A great deal is said about winning the war. That is our paramount job, but it takes more than material and men to win a war. It takes morale, and the only way by which one can preserve democracy is to make democracy work so that it is worth preserving. The totalitarian states have given their people a measure of economic security and they have paid a terrible price for it; they have lost their freedom. In the democracies we have retained freedom and liberty, but the people have very little economic security. We in this group believe it is possible to have both economic security and liberty, and our task is to help to build this democracy so that the men who come back will find that this was not only a country worth fighting for but a country worth living in.

May I say this as I sit down. We all recognize that this is a black hour. There is very little use in the Pollyanna type of optimism. Most of us remember March of 1918. At that time I was a boy thirteen years of age; I stood on Buchanan street in Glasgow in a drizzling rain, together with hundreds of other people. Soldiers of the Canadian corps who spent their leave in Glasgow will remember the Maple Leaf building. There was a great map, on which were flags denoting the various armies' lines. On the particular morning to which I refer there was a gap in the lines; the bulletin announced that an entire British army had been wiped out and that the German military machine was on its way to Paris. That was probably the blackest day in the history of Great Britain, until this moment. There was not a sound, although there were hundreds upon hundreds of people in that crowd. Suddenly someone in front began to sing, and those Scottish workers, together with soldiers from every corner of the British commonwealth, taking off their hats, stood in the drizzling rain and sang:

> O God, our help in ages past,
> Our hope for years to come.

As I looked around at those people I came to realize something of the inner resources that have made the British people great in the hour of danger, and that strength is still with us. My plea, Mr. Speaker, is: with firm faith in the "divinity that shapes our ends, rough-hew them how we will"; with confidence in each other and with firm determination to do the right as we see it, let us, the Canadian people, stand shoulder to shoulder in this grim hour until at last the blackness of the night shall give way to the promise of a better day.

Mr. J. A. ROSS (Souris): Mr. Speaker, even at this grave moment may I first of all extend my congratulations to you, as one coming from my native province, upon your election to the important office of Speaker of this house. Since your arrival on the prairies from the land of the heather I have followed your career with pride, and I know you will grace your office with dignity and impartiality.

Realizing my limitations, I hesitate to speak on this momentous occasion in what is probably the most serious session of parliament in the history of Canada. As a new member, with some definite instructions from my constituents, naturally I feel very much opposed to the usurpation of private members' privileges and rights in this house under our democratic system of government, which step was taken just the other day.

I am one of those who are thoroughly convinced that the war effort of the Canadian government to date has been half-hearted. In that belief I was confirmed by a minister of this government who last March stated from the public platform that the administration was purposely pursuing a middle-of-the-road policy in regard to the war effort. Last Tuesday in this house the Prime Minister (Mr. Mackenzie King) stated that modern warfare required extensive and intensive training. From my experience in the last great war and in the militia since that time I fully appreciate this fact, but I believe this is a further reason why the many thousands of our young men who are so willing to enlist should have been mobilized, equipped, and put in training many months ago. Physical and disciplinary training is most necessary, no matter in what branch of the service they may serve. To a very great extent this would have assisted also in solving the great unemployment problem which we have to face even to-day. In my opinion our war effort up to the present time has been very weak, and our people have not received from the government the leadership to which they are rightly entitled.

I should like to say a word concerning agriculture. Napoleon said that an army marched on its stomach, and I believe food may be properly described as a munition of war. It is right and just that those engaged in the manufacture of guns, those who build ships and aeroplanes, those who supply clothing and general equipment, should be properly compensated for their contribution to the empire war effort, and this is being done. It is right and just also that the farmer, who is responsible for food production, should be properly rewarded for his contribution of knowledge, labour and financial investment. He is ready and eager to play his vital part in the general war effort, but for him to do so at fair rates of compensation will require considerably higher prices for many farm products, and especially wheat, than those now prevailing. This objective is of real empire importance. For example, in 1935 through the wheat board the farmer was assured of at least 87½ cents a bushel, basis Fort William. To-day, in the face of increased cost of production and a higher cost of living, for his 1939 wheat crop the farmer is assured of only 70 cents a bushel, basis Fort William. On the other hand a harvest binder cost the farmer $68.50 more in the fall of 1939 than it did in the fall of 1935.

At the present time we have a surplus of bacon in this country. It is disturbing to many farmers, whose sons have offered their lives to this dominion, to learn that the troops in training in Canada are being fed bacon imported from the country to the south. The acreage bonus scheme, while probably a step in the right direction, along the line of crop insurance, has been perhaps the most unsatisfactorily administered act in Canada, causing economic disturbance and hardship in many sections. Approximately one-third of the population of Canada is directly dependent upon agriculture for a livelihood, yet those people receive only approximately one-twelfth of the industrial income of Canada.

On the declaration of war last September the militia council had ready a plan of mobilization, which was not accepted by the government. As the hon. member for Vancouver North (Mr. Sinclair) so well stated at the opening of this session, we must ruthlessly mobilize our money, materials and manpower if we are to win this war and, I trust, to win the peace which will follow. In the mail to-day I received from the Boissevain and District Board of Trade a resolution addressed to the right hon. Prime Minister, reading as follows:

Whereas the members of this board of trade, assembled in general meeting at Boissevain in Manitoba, this 14th day of May, A.D. 1940,

[Mr. J. A. Ross.]

view the recent developments in Europe with the deepest concern for the safety of our empire and for the preservation of the fredom of all peoples throughout the world;

And whereas it is apparent that Canada's participation in this war, to be effective, must be such that will place all our resources of men, money and materials at the disposal of England and her allies immediately and that our effort must be sustained at its highest pitch until victory has been won;

And whereas from the fact that recruiting has, up until now, been, and still appears to be, discouraged both for our land and air forces, every one of us being acquainted with young men whose offers of service have been rejected, and from the further fact that, in spite of very evident need for haste, our empire air training scheme is still only in its formative stage, it would appear that our war effort is as yet very ineffective and wholly inadequate and that unless something is done at once to invigorate and accelerate it our aid to Britain and her allies will arrive too late to be effective and our participation in the war will prove to be nothing but an idle gesture;

And whereas Canadians sincerely feel, and are openly saying that, after nine months of war nothing has yet been done by Canada, beyond her formal declaration of war, to make either the enemy or England and her allies, in any really effective degree, realize that she has entered the war as an enemy of Germany, and great dissatisfaction at this state of affairs is evident on every hand;

And whereas the feeling of uneasiness over the apparent failure of our government to take vigorous measures to make Canada's participation in the war more apparent and more effective, after nine long months, has developed into a restiveness which is growing daily and is causing open and vigorous criticism of the government's war policy to the extent that Canadians of all walks of life are asserting that Canada's war effort is not intended to be a real one but only a gesture and that the government either cannot or will not make it anything else;

And whereas Canadians are determined that our contribution towards the defence of our empire and the cause of freedom shall be real and effective and active rather than chimerical and ineffective and passive, as to many Canadians it has been in the past and now appears to be;

And whereas there appear to be no effective steps being taken for the complete and effective control of all enemy aliens, and the suppression of subversive propaganda and the teaching of subversive doctrines within the country or for the adequate protection of our grain elevators, railway terminals, transportation systems and other resources vital to our whole-hearted and intensive prosecution of the war;

And whereas it is generally felt that no effective measures have as yet been taken towards the development of Canada's industrial and labour resources for the immediate maximum production of munitions and aeroplanes of which they are now capable and for the rapid expansion of that maximum to its very limit;

Therefore be it resolved that this board of trade forthwith memorialize the dominion government expressing the fears set forth in the

premises and urging upon it a vast and immediate invigoration and expansion of its war effort programme in all its branches but particularly in control of enemy aliens and suppression of subversive elements within our borders, the organization of veterans and others for the purposes of home defence and protection of vital industries against sabotage, the development of our industrial and labour resources to their maximum efficiency for the production of munitions and aeroplanes, the carrying out of the air training scheme to a point where trained airmen are made, without any delay, available in large and ever increasing numbers and in recruiting and equipping and training division after division of troops to take their places at the front, and generally, in at once marshalling Canada's whole strength and all her resources to the end of immediately more vigorously and effectively assisting Great Britain and her allies in the prosecution of the war in which we are now jointly engaged.

Canada is rich and big and young and strong and vigorous and we Canadians now address a direct and urgent appeal to our government, in whose promises to effectively prosecute the war we showed such unbounded confidence and trust just a few short weeks ago, to lead us in taking to England and her allies immediately all the great help of which our strong young country is capable and of which she and they at this moment stand so greatly in need.

The Boissevain and District Board
of Trade
W. V. Udall,
President.
A. J. Robbins,
Acting-Secretary.

Speaking at this time as a Britisher and a Canadian, with a full realization of the grave crisis now existing, and devoid of any partisan feeling at the moment, may I say that my respect and sympathy are very much with the Minister of Finance (Mr. Ralston) in the tremendous task he has undertaken. My sympathies are also with the Minister of National Defence (Mr. Rogers) in these days of great national peril.

Of the Prime Minister (Mr. Mackenzie King) may I say that during this great and grave crisis in my opinion he does not inspire the confidence of the vast majority of people across Canada. May I repeat the words of Mr. David Lloyd George when recently addressing the Right Hon. Neville Chamberlain in the House of Commons at Westminster: "The greatest contribution you can make towards winning this war, Mr. Prime Minister, is for you to hand in your resignation."

Mr. FRASER (Northumberland): Who said so?

Mr. ROSS (Souris): I am quoting the words of Mr. David Lloyd George. In view of the news which has come recently from the motherland and in view of what has occurred in Canada, with all the feeling in my heart I appeal to our Prime Minister to prove himself the great and true Britisher that the Right Hon. Neville Chamberlain proved himself to be, and to hand over the reins of government to one having practical war experience. If he wishes to cooperate in the interests of his country, he should do likewise immediately.

This is not a time for political expediency—

Some hon. MEMBERS: Hear, hear.

Mr. ROSS (Souris): —but rather a time for the whole-hearted cooperation of all members in the house. That cooperation was ably given by our leader, the hon. member for York-Sunbury (Mr. Hanson), at the opening of this session.

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Speaker, as a new member in the House of Commons I realize fully my position in rising to take part in the debate. I agree most heartily with the observations just made by the hon. member for Souris (Mr. Ross). It seems strange that as soon as he mentioned the words "political expediency," there was immediate applause from the government benches.

It is not necessary to dwell on the seriousness of the hour, and I say to private members on the government benches that now is the time for them to show their loyalty.

An hon. MEMBER: How?

Mr. WHITE: We of the opposition have duties to perform, too. We have the duty to our constituents who sent us here to reflect in the House of Commons their opinions and desires. It is not my intention in any way to rehash or go over the issues involved in the election for, after all, the past is gone. Whatever the mistakes have been, and whatever bad judgment has been shown, are of little importance at this time. The present and the future are our vital concern.

But even to-day can we, the members of the House of Commons, truly satisfy ourselves that, even at this important hour, the present government is making every possible war effort. Speaking for myself—and I say this with deep regret—I have absolutely no confidence that the government is capable of arousing even within its own ranks, let alone throughout the nation, the action and the speed necessary to cope with the daily increasing threat to our very existence. This hour calls for inspiring leadership, for complete harmony and unity, for the thrusting aside of petty and insignificant matters and of forgetting all past differences so that we, the elected members, may in the brief time remaining at our disposal mobilize with lightning speed all our resources for the defence of Canada.

The press of yesterday and to-day which mentions names such as Arras, Vimy, the Somme and Abbeville, must recall stirring memories to the minds of many hon. members who were the veterans of another war, men who formed part of that glorious Canadian corps which served from 1914 to 1918, men who took part in writing a glorious page in history. These men will recall other dark days in March and April of 1918, and they will remember with pride the message that came from Sir Arthur Currie when he said: "We have our backs to the wall and we must fight it out". Everyone knows how the Canadian corps of that day met that challenge and how they fought it out. Once more we have our backs to the wall, and I am confident that once more we will meet the challenge and fight it out.

I represent the counties of Hastings and Peterborough. To-day we have in England with the first division the Hastings and Prince Edward regiment, one of the finest regiments that ever left these shores. It is simply disgraceful that so little is being done in the way of recruiting in these counties which made such a wonderful contribution from 1914 to 1918 in men, munitions and supplies. I wonder if the members of this house realize that in Ontario east of Toronto there is only one rifle infantry regiment, and that in all that area there is only one place where a man may enlist in such a regiment. That point is at Picton, a most inconvenient place. That is in the riding of my hon. friend (Mr. Tustin), but I said "most inconvenient", not "most insignificant".

At the present time recruiting at this point may be carried on for a week, and then the office is closed down. It may interest hon. members to know that there has been no recruiting at this point, the only recruiting depot east of Toronto, since May 11, and the depot is still closed. Any man who wants to enlist in a rifle regiment must, if he resides east of Toronto, travel or hitch-hike hundreds of miles to Picton, and then when he arrives there he may find there is no recruiting and be told to come back the following week. In many instances the man's name is taken and he is told he will be advised when recruiting will begin again. Is it the policy of this government at the present time to have only one place where a man may enlist in an area covering hundreds of square miles east of the city of Toronto?

In my riding there are hundreds of young Canadians who have been trying for months to join the Royal Air Force, and the best they have been able to accomplish is to have their names taken and be told that they will be advised at a later date. There is no action which the government has taken which has so discouraged the young men of Canada more than this action in regard to recruiting. In the small village of Madoc in which I reside there is an armoury in which from three to 500 men could be trained. That armoury has been locked up since October 1, 1939. In that armoury there is not a single rifle, a single round of ammunition, a single machine gun or any equipment or war supplies of any kind. All the equipment consists of is two dozen chairs and a few tables. Why? Because the equipment which had been there for years and which had been brought home in 1918 was used to equip the Hastings and Prince Edward regiment. That regiment took this antique equipment back to England.

In the village of Norwood in my riding, there is another armoury in which 500 men could be trained. That armoury has also been locked up since the beginning of the war and contains no rifles or equipment of any kind. In Peterborough and Belleville are located two of the finest armouries in Ontario, but they have not been used in any way. I ask the government, why are they not taking advantage of these buildings? Why does this condition exist? It certainly is not because of a lack of recruits, because recruits can be had at any time.

It is not because of a lack of capable officers. In the small village of only 1,000 people in which I reside there are ten qualified officers, five of whom have had overseas training. All these officers have been connected for years with the non-permanent militia and are well qualified to drill troops, instruct and lecture in signalling practice, bayonet fighting and gas warfare, as well as machine-gun practice, military tactics and military organization. In addition we have many non-commissioned officers who are fully trained and capable of performing all military duties. These officers and non-commissioned officers are most willing and anxious to give their services.

The manner in which this government has conducted recruiting has convinced me more than anything else that the public have no confidence whatever in the present war effort. From the press we learn that various veterans' organizations have offered their services to the government, but these services have not been accepted. Much has been said already in this house about "fifth column" activities. I was interested in the statement made a few days ago by the Prime Minister (Mr. Mackenzie King) to the effect that all "fifth column" activities were being checked carefully and handled by the mounted police.

I should like to bring to the attention of this house a most serious condition which exists in the county of Hastings. In that county there are about fifty-five miles of a power line which runs from the Gatineau to Leaside, about thirty-five miles of which run through a most sparsely settled section of the county. Yet there is not one guard of any kind to protect this line. There are no soldiers within a radius of 100 miles. The provincial hydro commission has a maintenance man who patrols a beat of thirty-nine miles. Can hon. members grasp that? One man patrolling a beat of thirty-nine miles! That is all the protection there is for this vital power line.

It would be the simplest matter in the world for one man to wreck the whole system. I am told that if this line were wrecked, at least two-thirds of Toronto and a large portion of eastern and western Ontario would be without power or light. Within the last month a foreigner was charged in the police court at Marmora with removing brace arms from these hydro towers. When addressing the court at the conclusion of the evidence, the crown attorney said to the magistrate that this was a direct case of sabotage. And yet no action has been taken by anyone to protect or guard this highly vulnerable power line. I might explain to members of the house that the method of sabotaging these towers is to remove certain braces and cross-arms, or to saw partly through certain girders and then leave the rest to nature, so that at the first storm or strong wind the towers will be completely wrecked. Throughout these two counties there are many mines of great importance in war time and many important industrial works, and yet there is not a single guard of any kind.

The huge sum of money which is being asked for by this resolution should be spent within the Dominion of Canada. So far as the amount itself is concerned it is of little importance because what does it matter what amount we spend to-day if we are in danger of losing our freedom and all the privileges we have enjoyed under the British crown, if we are in danger of being reduced to actual slavery? In these circumstances the amount matters little.

Like my hon. friend the member for Vancouver South (Mr. Green), I am going to make a few suggestions to the government:

1. That all militia units throughout Canada be recruited to full strength at once, and if clothing is not available, that arm bands be used.

2. That with all speed all war equipment be manufactured and used to equip fully all overseas troops; then huge stores of same be set up in Canada.

3. That a home defence corps be organized and trained.

4. That the cadet units of high schools and collegiates be used in any possible manner, such as for instruction and organization purposes.

5. That provision be made by counties or districts for the protection and guarding against sabotage of all vital industries, public utilities and military objectives within such county or district.

6. That all armouries now locked up or partly used be utilized to the full degree.

7. That the services of all war veterans be used for training and guard duties.

8. Registration of all man-power and other resources.

9. Immediate internment of all aliens and enemy sympathizers. That a local tribunal be set up in each county or district under the local county judge to deal with internment, so that this can be carried out with speed and efficiency.

10. That the government consider what steps can be taken to control the broadcasting of enemy propaganda from American stations.

11. That the government consider the passing of measures to provide the death penalty for espionage, sabotage or "fifth column" activities.

And lastly, that in the grave situation to-day the government consider invoking the provisions of the Militia Act, which provides for the calling-up of all able-bodied men for home defence.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, the house to-day is in a very serious, very sober and perhaps I might add, a very militant mood. None of us has witnessed in our time in this house members more bent upon determined and aggressive action by the government than we find them in this chamber to-day, and in that they but reflect the opinions which are being so audibly expressed by the people of the country who are now thoroughly aroused and fully conscious of the import of the present emergency. Words seem so futile in these days. Routine parliamentary proceedings seem so lamentably out of place. Debates seem so irksome in the face of recent developments which are so vital to the very existence of our nation and of our empire.

The government has asked us to forget the past, with its pathway strewn with examples of what many of our citizens regard as instances of puny and inadequate preparedness. But few, Mr. Speaker, will be able to erase it from memory. This afternoon, however, I think it is the sole duty of the House

of Commons to take the government at their word and to forget the past, because it is our duty to press by every means within our power the administration into a more aggressive and a more determined prosecution of the war both on our home front and on the front overseas. To-day only the present and the future count, and both of them count very heavily.

I now propose to make certain insistent proposals to the government. My words will be few, but I trust they will be emphatic. They are made in the spirit of a united Canada which has its mind made up that the empire must and will march on to ultimate victory in this conflict. Stripped of all unnecessary words, I have the following to propose.

First, that the preservation of the Liberal party, of the Conservative party or of any other party in this house, is of small consequence. Regarded as a political entity the fate of no party is of any consequence to-day when forces from without our frontiers threaten to destroy the very democracy upon which our parties operate. National government—I know I am not going to have the support of every member of this house when I say this—was desirable in my opinion last September when war broke out, and it has become more desirable in every month which has followed the declaration of war right down to this date. In my opinion, Mr. Speaker, it is now the only answer to our urgent national needs.

Second, no man and no woman in Canada should be without his or her place in our national war plans. Our people are crying out loudly to-day for an opportunity to serve Canada and serve the empire in her day of need. Continuing unemployment in time of war has seemed to me during these past months not only to be unnatural but to present a farcical situation in our land. In this country the wheels of industry should have been humming twenty-four hours a day and not a man should have been out of work since the war began. We have not all realized, Mr. Speaker, that we are at war, and it was the government's obligation to give us the lead so that we might as a nation be more fully conscious of our exact position. Every Canadian must now put his or her shoulder to the wheel without a moment's further delay.

Third, let us look more intently to our home defence as well as to our overseas plans. There is a definite and immediate duty resting on us to protect our people, our homes and our industries against "fifth column," "Trojan horse," and sabotage operations within our own borders. The citizens at large, and particularly the men who served so gallantly in the last war, are demanding to-day, in terms the urgency of which I have never in my life known to be equalled, that the government of this country give them their place in plans to render impotent any "boring" operations which may be conducted by enemy sympathizers within our gates.

[Mr. Graydon.]

Fourth, the contribution of Canada towards the maintenance of universal freedom and liberty must be more than merely a war effort. I confess I never liked that word "effort." It sounds too much like an attempt being made at something. There must be, from this moment, a determined, aggressive and ceaseless hurling of every ounce of energy which we as a nation can muster; for nothing less than the best we can do is good enough for Canada, as a nation and a part of the British commonwealth of nations, in this hour of national and empire trial.

In conclusion may I say that I am deadly in earnest. I speak with a deeper feeling than has permeated me in any address I have given this house these past five years. I plead with the government for a yet more vigorous prosecution of its war plans. This is the time for public and personal sacrifice on the part of everyone of us. The day of thinking in terms of political parties, of personal convenience and of selfish ambitions has gone. The hour is far too serious for that. With that thought foremost in my mind, I urge with all the emphasis at my command, that the Prime Minister and his government abandon now their one-party administration of this war—I never liked it. I like it less this afternoon—and, following Britain's lead, give Canadians new confidence in this hour of trial and need, and unite our political forces to form a strong reorganized coalition government.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, I have listened with a great deal of interest to the remarks made by the hon. member (Mr. Graydon) who has just resumed his seat. I regret to say, however, that my opinions do not at all coincide with his. Having no intention of prolonging the present debate, I shall be brief.

Canada's participation in the war is and must remain free and voluntary. Such is the wish of the people of this country, a wish that was indeed most clearly expressed last March 26, as regards our war effort and the nature thereof. Never before has a government been endorsed to a similar degree by the electorate. The right hon. the Prime Minister (Mr.

Mackenzie King) won an unprecedented victory, and the Canadian people returned him to power because they realized that he and his government stood for a policy of moderation, freedom and voluntary assistance. Thus must we consider these three ideas as a synthesis of the returned government's election programme, not to mention the preservation of Canadian unity. That unity must be safeguarded at all cost, in the name of liberty, justice and right. The ultimate victory of the allies depends largely upon the preservation of national unity in democratic countries, as well as upon the union of all hearts and minds toward the realization of the powerful and inspiring ideal represented by the victory of right over might.

If ever any government should endeavour to impose conscription on this country, it would find itself opposed by every true champion of Canadian unity.

The bloody conflict of which unfortunate Europe is once again the theatre is but a page, the most harrowing and darkest perhaps, of the troubled history of heroic and noble France whose soil has withstood time and again the invasion of barbaric hordes. On behalf of the motherland, the allied armies are desperately striving to triumph over injustice and barbarism. Every man worthy of the name most strongly desires to see the forces of liberty and civilization decisively victorious over anarchy, tyranny and barbarism. Gigantic struggle, wherein the very survival of a civilization ennobled by centuries of sacrifice and genius is at stake. Alarming fray, wherein the terrifying roar of motorized columns will never blot out the agony of the heroic dead, whose lips still frame the glorious words of victory and peace!

Mr. Speaker, while England and France are far advanced on the path of sacrifice, Canada, notwithstanding the opinions expressed by some hon. members, has done and is still doing her important share. According to the right hon. Prime Minister's recent statement, Canada's participation in the war will cost her, for the financial year 1940-41, the sum of $2,000,000 a day. Should this fail to satisfy the extremists, I wonder if we are not entitled in turn to suspect their loyalty to Canada. Do they believe that a bankrupt Canada would be of use to the allied cause? Have they given a moment's thought to the after-war period? Have they ever considered our financial and economic position? Does the agriculture and labour problem mean nothing to them?

Mr. Speaker, even in this difficult hour, let us not deceive ourselves. Let us not allow ourselves to be carried away. Let us keep calm so that we may consider with wisdom and moderation Canada's interest before all others.

I mentioned the agricultural problem. The day is not far when the allied armies and countries will turn to Canada for their food supplies. We should therefore speed up still further the reorganization of our agricultural production in all its branches. The rising cost of living makes it imperative for governments to give all possible aid to agriculture. Our whole economic structure is based on agriculture. More than ever, in this extremely critical situation, should we encourage, develop and promote agricultural production.

In closing these few remarks, I am happy to say that I still look at the future with optimism. It is through optimism, hope and faith that truth will triumph over error, right over might, civilization over barbarism and justice over tyranny.

One word in conclusion. In her participation in the war, may Canada keep from excessive zeal and waste. May our lawmakers ever keep engraved in their minds and in their hearts the image of the Canadian fatherland. May the soil of our country continue to be the granary of the world and the almost inexhaustible source of the natural wealth of which the need is at present so great. May our land continue, under the kindly eye of an admirable Providence, to spread life, fecundity and happiness among the peoples of the world, but especially in Canada, our beloved country, so badly in need of them.

The speech from the throne ends at every session of parliament with the words: "I pray that Divine Providence may guide and bless your deliberations." If there was ever a time when legislators needed light and strength, it is the present difficult moment when the fate of the continent of Europe and the economic future of Canada seem to be at stake. May God preserve Canada from downfall and ruin! May He keep our beloved Canada united, great and prosperous! May He allow the triumph of civilization over the forces which barbarism has let loose upon the world.

MAIN ESTIMATES, 1940-41

A message from His Excellency the Administrator transmitting estimates for the financial year ending March 31, 1941, was presented by Hon. J. L. Ralston (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

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 consideration of the motion of Mr. Ralston that the house go into committee to consider the following resolution:

That sums not exceeding $700,000,000 be granted to His Majesty towards defraying any expenses that may be incurred by or under the authority of the governor in council during the year ending 31st March, 1941, for—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measures deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

With provision also empowering the governor in council to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money, not exceeding in the whole the sum of $700,000,000 as may be required for the purpose of defraying the aforesaid expenses, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, as was stated this afternoon, it is most difficult to proceed to a discussion of past events and present and future possibilities in connection with agriculture in Canada when the war news is of the kind reported to the house to-day. Perhaps the chief reason why we are able to carry on this discussion may be found in the history of Great Britain; and our knowledge of the fact that on at least three previous occasions the dogged determination of Britain to preserve her institutions for succeeding generations has triumphed, leads us to believe that again she will find a way. The destruction of the Spanish armada; the defeat of Napoleon, and the final triumph of the allies over Wilhelm II in the last war all give testimony to sustain the hope, which becomes faith, in the success of Britain in the final outcome of the present war. So it becomes my task to outline to the house the effect that preparation for war and the coming of war has had upon agriculture in Canada; to outline the efforts made to meet pre-war difficulties as well as those made to meet the immediate difficulties brought by war. In order that I may place the records correctly and completely upon *Hansard* I hope you will bear with me, Mr. Speaker, if I follow rather closely the notes I have prepared.

A world war is always preceded by a period of preparation, and hence a period of war fear, the effects of which are first felt by agriculture. When a nation begins to make preparation to go to war, one of the first considerations is food, which is produced almost exclusively by farmers. If a country has, in time of peace, the essential food products within its boundaries, it is in a relatively strong position in preparing for war. If much of its food is, in time of peace, obtained from outside its boundaries, that country must do one of two things, or a combination of two things, in preparation for war; it must either increase its production at home or protect its trade routes to countries from which the food can be obtained, or do both.

The three countries which have been making the greatest preparations for war during the last ten years are Germany, France and Britain. Over fifteen years ago Germany began to prepare for war. Her endeavour was to have the necessary food products within her own boundaries when war came. France looked on for a few years and then, fearing that when Germany became strong her desire for revenge might turn her attentions westward, more than ten years ago turned her attention to food production within her own borders. Britain did not take action in this direction until about eight years ago, but during the past six years has been employing many of the devices used by the others to increase the production of food within her own borders. Canadian farmers in the past had been accustomed to sell the greater part of their surplus farm products in the three countries I have mentioned and in the United States. To the extent that these three countries increased their production of meat, cereals, dairy products, poultry and fruit, the three great branches of agriculture in this country were bound to suffer.

The net result has been that during the greater part of the last ten years prices of farm products in Canada have been abnormally low. I think I would be safe in saying that for the ten year period from 1931 to 1940, prices of farm products reached an all-time low, if all the factors of relative values were taken into consideration. My contention, therefore, is that the Canadian farmer entered into this war under very unfavourable circumstances, largely because those countries now at war have been preparing for it for a period of years. To emphasize the point I am trying to make I should like to give this record of the prices during the five years pre-

ceding the last war, the five years of the last war and the five years preceding the present war, on the five products of greatest export. These prices are for the best grade at Toronto for all products with the exception of wheat, and for No. 1 northern at Fort William for wheat.

	1910-1914 (Average)	1915-1919 (Average)	1935-1939 (Average)
	Cents	Cents	Cents
Wheat	100·6	205·4	100·2
Cheese	13·24	22·06	12·99
Hogs	8·88	14·96	8·98
Cattle	6·77	10·36	6·46
Apples (Barrel)	461·0	683·0	582·0

From this table it will be seen that the prices f r the five years preceding this war are almost exactly the same as they were for the five years preceding the last war. It will be acknowledged, however, that the purchasing power of the dollar has been lower during the last five year period. Fear of war and preparation for it have been the underlying cause of economic difficulties in Canada as well as in other countries, more particularly as related to agriculture.

Before going on to deal with the situation created by the war, it might be well for me to deal shortly with our experience of prices in the last war. There was an increase in prices during the last war as compared with the previous five year period, of approximately 50 per cent on apples, 60 per cent on cattle, 75 per cent on hogs, 60 per cent on cheese and 100 per cent on wheat. It is well to recall, however, that there was no unusual increase in the prices of any of these products until the war had been going on for two full years. In the second year of the last war wheat averaged $1.13 a bushel; cheese, 16·4 cents a pound; hogs, 8·5 cents a pound; cattle, 8·04 cents a pound; and apples, $4.96 a barrel. I think there are two principal reasons why prices of food products do not rise in the first year of a war. The first reason is that countries preparing for war store food in many forms. The second reason is that often war does not interfere with the increased production of food in the combating countries during the first year. These increases in production which take place preceding a war are usually encouraged at points safest from destruction by marching armies. After war has been under way for a year and armies move across areas of production, demands become greater for the surpluses of countries far removed.

The detrimental effects of war preparation and of war itself upon farm prices has been accentuated by the fact that when war broke out, Canadian farmers were harvesting the second largest wheat crop on record. Heavy fall marketing of hogs and poultry was in prospect. Butter and cheese production was at a higher level than in the year previous. Apple and other fruit crops, as well as vegetable crops, were normal in yield. A record tobacco crop was expected. The production was higher for 1939 than the five-year average in every important farm product used for food except mutton, lamb and honey.

I should like to place on *Hansard* a table comparing the production of crops and the output of live stock in 1939, with the previous five-year average. May I have the consent of the house?

Mr. SPEAKER: Consent is granted.

Mr. GARDINER:

	1939	Average previous 5 years
Wheat, bushels	489,623,000	263,444,000
Oats, bushels	384,407,000	325,414,000
Barley, bushels	103,147,000	81,001,000
Rye, bushels	15,307,000	7,070,400
Flaxseed, bushels	2,169,000	1,265,800
Hogs, numbers	3,706,179	3,403,048
Cattle, numbers	1,183,305	1,151,444
Calves, numbers	795,402	691,050
Sheep and lambs, numbers	753,062	802,056
Butter, pounds	266,879,000	248,128,000
Cheese, pounds	120,976,000	114,166,000
Tobacco, pounds	109,846,000	62,762,000
Apples, barrels	5,468,400	4,700,520
Honey, pounds	28,856,100	29,387,000

Farm prices just prior to the outbreak of the war were at a very low level, and indications at that time pointed to a low net return to farmers, despite bountiful yields, even had there been no war. The immediate effect of the war was a rise in grain and live stock prices and later an increase in prices of dairy products. In August, 1939, the index of the wholesale prices of farm products stood at 58·4, as compared with 72·4 for all commodities. By March, 1940, the farm products index had risen by 12·9 points to 71·3, as compared with a rise of 10·8 points in the general index to a total of 83·2.

The following figures will indicate the monthly change in the prices of the main agricultural products:

			Aug. 1939	Sept. 1939	Oct. 1939	Nov. 1939	Dec. 1939	Jan. 1940	Feb. 1940	Mar. 1940	Apr. 1940
Wheat	In	c. bus.	54.9	73.9	70.3	70.5	82.4	82.8	83.8	87.0	89.2
Oats	Store	c. bus.	27.3	36.7	32.8	32.3	38.8	42.6	41.7	38.7	38.4
Barley		c. bus.	32.3	45.3	42.0	41.5	47.3	49.0	49.9	48.7	50.0
Rye	Fort	c. bus.	37.6	56.5	60.4	56.8	72.3	74.8	71.6	70.6	69.8
Flaxseed	William	c. bus.	130.0	166.0	167.9	158.3	177.0	193.7	191.9	204.2	223.6
Steers, good, Tor. $		cwt. ..	6.37	7.30	7.19	7.27	7.48	7.47	7.17	7.23	7.17
Hogs, bacon, Tor. $		cwt. ..	7.85	8.60	8.57	8.73	8.94	9.07	9.00	9.03	8.55
Butter, Mont. c. lb.			21.5	26.2	27.8	28.2	28.0	27.7	26.8	27.6	26.3
Cheese, Mont. c. lb.			11.2	13.0	14.1	16.0	17.0	18.7	19.3	17.2	14.5
Eggs, Mont. c. doz.			31.8	37.6	41.5	44.4	33.9	27.0	26.8	27.0	....

Very shortly after the war commenced, it became evident that the United Kingdom did not require some of our farm products. It was indicated that bacon, cheese and fibre flax would be needed, but there was some doubt about fresh fruit, tobacco and canned goods. Great Britain's purchasing programme is not only based upon her needs, but likewise influenced by the availability of exchange and shipping space, as well as by political and economic considerations, some of which were mentioned by one hon. member, I believe, this afternoon.

Before the war came, the government had reorganized the Department of Agriculture into four divisions, with a director over each division. And I may say, Mr. Speaker, that this was done in spite of the fact that it was not advisable at that time to suggest that it had any relationship with war. It was done because this government realized, as a result of the experiences we were having in the British market, that something very unusual was going on in the continent of Europe. It was done, too, as a result of an action taken by the Prime Minister (Mr. Mackenzie King) which had some relationship to myself, as Minister of Agriculture, in the spring of 1936, when he said to me that he desired me to go to Great Britain and to Europe. When I asked him why, he replied, "No one can administer the Department of Agriculture in the Dominion of Canada, a country producing the large surpluses we produce for marketing in Great Britain or on the continent, without having an intimate knowledge of what is going on both in Great Britain and on the continent."

I repeat that as a result of the experience gained at that time we reorganized the department and changed it from a department composed of a dozen or more branches to a department organized under four directors, a deputy minister and an assistant deputy minister. The day war was declared, the principal officers of the department were called together to discuss the part to be played by agriculture in war activity. An agricultural supplies board composed of six members, four of whom were the four directors I have just mentioned, was established. The board, together with the department, commenced immediately to deal with agricultural situations arising out of the war. Cooperation with provincial authorities, with advisory boards and with other dominion government bodies was sought from the beginning, to accomplish the following things:

1. To establish constructive direction for agricultural production;

2. To make available for export those commodities required by Great Britain;

3. To conserve essential supplies such as feeding materials, insecticides and fertilizers needed to meet the production of farm products in Canada, and

4. To assist in the marketing of surplus farm products.

Because it has been stated on a number of occasions outside the house that information and direction have not been given to those associated with agriculture, I desire to take some time to outline what has been done by the board under the direction of the department. A conference between the agricultural supplies board and representatives of the provincial departments of agriculture was held at Ottawa on September 27 and 28, 1939. At that conference Great Britain's probable needs of Canadian farm products were outlined and stress laid on so planning war-time activities that the agricultural industry should not be thrown out of gear when the war ended. Papers were presented by various officials indicating, commodity by commodity, the Canadian situation in 1939 as compared with that in 1914 with regard to available and prospective supplies of farm products likely to be needed. At the close of that conference provincial delegates agreed to cooperate in work undertaken by the board, as the central directive agency, and undertook the responsibility, in cooperation with producer representatives and dominion field men in their respective provinces, of implementing such production programmes as might become necessary.

Following the conference most of the provinces established special committees to collaborate with the board and to give local direction to programmes undertaken. Provinces reporting the establishment of such committees follow:

Prince Edward Island, production service committee, October 5;

Nova Scotia, agricultural advisory committee, October 6;

New Brunswick, agricultural supplies committee, November, 17;

Manitoba, war-time agricultural committee, March, 1940;

Saskatchewan, provincial swine committee, November 15;

Alberta, agricultural production committee and swine production committee, November 14; crops production committee, December 9;

British Columbia, agricultural production committee, November 15.

Due perhaps to the close contact with dominion organizations made possible by their proximity to Ottawa, Quebec and Ontario apparently thought it unnecessary to establish special committees to collaborate with the board. There has been, however, continuous communication between the board and existing organizations in these provinces with respect to specific activities. If the house will permit, I shall be pleased to place the full personnel of those committees on *Hansard* for the information of hon. members:

Personnel

Agricultural Supplies Board

Establishment of board

The Agricultural Supplies Board was established September 9, 1939 (P.C. 2621), with the following named as members (P.C. 2622): A. M. Shaw (Chairman), R. S. Hamer (later appointed Vice-Chairman), E. S. Archibald, G. B. Rothwell, A. T. Charron, J. M. Swaine, with Dr. H. Barton, Deputy Minister of Agriculture, a member ex officio. Following the death of G. B. Rothwell, on December 3, 1939, J. M. McCallum was appointed in his place, while J. G. Bouchard was named to replace A. T. Charron upon the latter's retirement on March 9, 1940. On September 27, 1939 (P.C. 2893), S. R. N. Hodgins was appointed Secretary. On November 17, 1939, J. R. Peet "on loan" from the marketing service, was named assistant secretary.

Special Committees

To assist in carrying out its duties, the Agricultural Supplies Board has established the following special committees:

September 22, 1939—Seed Supply Committee, consisting of N. Young (Chairman), T. M. Stevenson, W. T. G. Weiner, L. H. Newman, C. Sweet, L. S. McLaine; Secretary, A. M. W. Carter.

September 22, 1939—Fertilizer Supply Committee, consisting of G. S. Peart (Chairman), L. W. Wright, E. S. Hopkins, G. D. Mallory, W. H. Losee (the latter two from the Department of Trade and Commerce); Secretary, A. M. W. Carter.

October 7, 1939—Pesticide Supply Committee, consisting of G. S. Peart (Chairman), Arthur Gibson, H. T. Gussow, A. G. Lochead, C. H. Robinson, E. A. Watson, L. S. McLaine, G. D. Mallory, W. H. Losee; Secretary, A. M. W. Carter.

October 25, 1939—National Apple Advisory Committee, consisting of R. L. Wheeler (Chairman), M. V. McGuire (British Columbia), G. H. Laird (Ontario), W. G. Tawse (Quebec), F. W. Walsh (Nova Scotia); Secretary, L. F. Burrows.

Provincial Coommittees

Prince Edward Island—Production Service Committee, consisting of Hon. W. H. Dennis, Minister of Agriculture (Honorary Chairman), J. J. MacDonald, President of the Dairymen's Association (President), W. R. Shaw, Deputy Minister of Agriculture (Secretary, W. J. Reid, President of the Livestock Marketing Board, J. W. Boulter, Secretary of the Potato Growers' Association, Dr. J. A. Clarke, Superintendent of the Experimental Farm, F. M. Nash, Director, Poultry Division, Gordon MacMillan, Federal Seed Branch, J. A. Gillies, Secretary of the Livestock Marketing Board, Leonard MacDonald, Manager of the Egg and Poultry Association, W. D. Ross, Secretary of the Central Farmers' Institutes, W. L. Brenton, Superintendent of the Dairymen's Association, S. C. Wright, Fieldman, Department of Agriculture, P. A. MacIsaac, President of the Swine Breeders' Association, S. D. Irvine, Sheep and Swine Division, L. K. Lockerby, Fieldman, Department of Agriculture, E. L. Eaton, Supervisor, Illustration Stations, Dr. E. S. Notting, Health of Animals Branch.

Nova Scotia—Agricultural Advisory Committee, consisting of Hon. John A. McDonald, Minister of Agriculture, Dr. W. V. Longley, Director of Extension, Principal L. T. Chapman, Dr. W. S. Blair, Secretary of the Nova Scotia Farmers' Association, Mr. W. W. Baird, Superintendent of the Dominion Experimental Farm, Nappan, Mr. J. F. Haggerty, Senior Poultry Fieldman with the Federal Department, Mr. F. W. Walsh, Director of Marketing.

New Brunswick—Agricultural Supplies Committee, consisting of J. K. King, Deputy Minister of Agriculture, Fredericton (Chairman), T. G. Hetherington, Director Extension Division, Provincial Department of Agriculture, Fredericton, C. F. Bailey, Superintendent Experimental Station, Fredericton, representing Dominion Department of Agriculture officials in New Brunswick, one representative from the Farmers' Association of New Brunswick, to be designated by the executive of this association, George Stephenson, Maugervill, Sun. Co., N.B., representing the New Brunswick Dairymen's Association, Roy Grant, Secretary Maritime Chamber of Agriculture, Moncton, F. L. Wood, Poultry Superintendent, Provincial Department of Agriculture, Fredericton, (Secretary).

Manitoba—War-Time Agricultural Committee, consisting of Hon. John Bracken, Premier of Manitoba, (honorary member), Hon. D. L. Campbell, Minister of Agriculture, (honorary member), D. G. McKenzie, Vice-president, United Grain Growers, Ltd., Paul F. Bredt, President, Manitoba Pool Elevators, Ltd., Dr. J. A. Munn, President, Manitoba Federation of

Agriculture, Fred H. Downing, Manager, Canadian Livestock Co-operative (Western) Limited, Cecil Lamont, Director, Public Relations Department, North-West Line Elevators Association, W. S. Patterson, President, Manitoba Co-operative Poultry Marketing Association Limited, W. F. Popple, Manager, Manitoba Co-operative Wholesale, Ltd., G. W. Tovell, Secretary-Treasurer, Manitoba Co-operative Dairies, Limited, J. W. Braithwaite, President, Manitoba Co-operative Honey Producers, Limited, Rev. A. H. Laurin, President, Manitoba Beekeepers' Association, Roy McPhail, Manager, Canadian Livestock Sales Agencies, N. C. MacKay, Director, Extension Service, Manitoba Department of Agriculture, W. H. French, Past President, Union of Manitoba Municipalities, C. B. Davidson, Secretary, Manitoba Federation of Agriculture, Mrs. E. L. Johnson, Vice-President, Manitoba Federation of Agriculture, Mrs. W. H. Hicks, President, Manitoba Women's Institutes, John Spalding, Secretary, Union of Manitoba Municipalities, Dr. W. H. Tulloch-Lee, President, Agricultural Societies' Advisory Board, W. L. McGregor, President, Manitoba Horse Breeders' Association, Rev. Adelard Coulture, Director of Social Organization for Diocese of St. Boniface, Alex McPhail, President, Manitoba Swine Breeders' Association, R. B. Hunter, President, Manitoba Sheep Breeders' Association, J. E. Crawford, President, Manitoba Dairy Cattle Breeders' Association, Les. Robson, President, Manitoba Cattle Breeders' Association, Andrew Turkeivich, Farmer, Winnipeg Beach, Dr. H. C. Grant, Professor of Economics, University of Manitoba, Dr. E. Cora Hind, Editorial Writer of the Winnipeg Free Press, Axel Bergkvist, Farmer, Sanford, Mrs. M. G. Ellis, Agricultural Editor, Family Herald and Weekly Star, Paul Kwiatkowski, Farmer, Tolstoi, R. D. Colquette, Joint Editor, The Country Guide and Nor'-West Farmer, W. D. Strang, President, Dauphin Agricultural Society, Rev. A. Benoit, Parish Priest of St. Malo, Prof. A. V. Mitchener, Dean of Agriculture and Home Economics, University of Manitoba, J. T. Hull, Manitoba Editor of the Western Producer, Neil Wright, Director, Manitoba Federation of Agriculture, Dr. Kenneth Neatby, Director of Agricultural Department, Northwest Line Elevators Association, J. J. Siemens, Farmer, Altona.

Saskatchewan—Provincial Swine Committee, consisting of E. G. Harlton, President, Sask. Swine Breeders, W. B. Weightman, Vice-president, Sask. Swine Breeders, E. F. Richardson, Director, Sask. Swine Breeders, C. M. Learmonth, Superintendent of Institutional Farms, J. H. Coles, Senior Livestock Fieldman, Production Service, J. G. Robertson, Sask. Livestock Commissioner, A. D. Munro, Dominion Markets Representative, E. E. Brockelbank, Extension Dept. University of Sask., Prof. J. W. G. MacEwan, Professor of Animal Husbandry, University of Saskatchewan, A. H. O. Colbert, Experimental Farm, Rosthern.

Alberta—Agricultural Production Committee, consisting of F. H. Reed, Superintendent of the Experimental Farm, Lacombe, representing Dominion Department of Agriculture agencies in the province of Alberta, Dean E. A. Howes, representing the University of Alberta, O. S. Longman, Field Crops Commissioner, A. A. Campbell, Acting Live Stock Commissioner, R. M. Putnam, Director, Agricultural Extension (Secretary), J. R. Sweeney, Deputy Minister of Agriculture (Chairman).

[Mr. Gardiner.]

Swine Production Committee, consisting of N. Curtis, representing the Production Service, Dominion Department of Agriculture, Dr. R. D. Sinclair, University of Alberta, Prof. J. P. Sackville, University of Alberta, H. E. Wilson, Dominion Experimental Farm, Lacombe, Roy Marler, Swine Breeder, Bremner, William Hudson, Swine Breeder, Kathryn, Dr. P. R. Talbot, Provincial Veterinarian, A. A. Campbell, Acting Live Stock Commissioner, J. R. Sweeney, Deputy Minister of Agriculture.

Crops Production Committee, consisting of O. S. Longman, Field Crops Commissioner, Department of Agriculture, (Chairman), Frank Foulds, District Supervisor, Plant Products Division, Dominion Department of Agriculture, Calgary, Dr. K. W. Neatby, Professor, Field Crops Department, University of Alberta, A. Craig Pierce, Farmer, Drumheller, L. C. Anderson, Farmer, Bittern Lake, Milton McKeen, Farmer, Sangudo.

British Columbia—Agricultural Production Committee, consisting of J. B. Munro, (Chairman), J. A. Grant, Markets Commissioner, Geo. H. Stewart, Statistician, Ernest MacGinnis, (Secretary).

Bacon Board—Appointed December 20, 1939 (P.C. 4249), consisting of Hon. J. G. Taggart, Minister of Agriculture for Saskatchewan, (Chairman), S. E. Todd, Secretary Industrial and Development Council of Canadian Meat Packers, L. C. McQuat, General Agricultural Agent for C.P.R., Adrien Morin, Chief, Live Stock Branch, Quebec Department of Agriculture, L. W. Pearsall, Dominion Department of Agriculture, Secretary-Manager.

Bacon Advisory Committee—Appointed December 20, 1939 (P.C. 4173), consisting of William J. Reid, Charlottetown, P.E.I., H. Wilson, Charring Cross, Ontario, J. H. Tapley, Toronto, Ontario, K. N. M. Morrison, Barrie, Ontario, F. H. Downing, St. Boniface, Manitoba, John Burns, Calgary, Alberta, John Harrold, Namao, Alberta, Joseph Bisson, Montreal, Quebec.

Dairy Products Board—Appointed May 22, 1940 (P.C.), consisting of J. F. Singleton, Associate Director, Marketing Service, Dairy Products, Dominion Department of Agriculture, (Chairman); Joseph F. Desmarais, Montreal; John Freeman, Montreal.

A glance at the membership of these provincial production committees will show that producer organizations are fully represented. This will likewise be found true of the national apple advisory committee set up under the agricultural supplies board, and of the advisory committee to the bacon board.

The farmers across Canada have been kept informed of developments through these various committees and organizations, as well as directly through agricultural representatives, newspapers and the radio. Plans are under way to hold another meeting with provincial officials in the near future. At this meeting the problems of disposing of this season's production of agricultural products will be discussed. Great Britain's needs for certain products may be greatly different in the months to come. No one knows how much our crops will yield this year. It is possible

that there may be a shortage in a certain line of production where a surplus existed a year earlier. Plans to cope with the many situations which may develop will be discussed at the coming conference. In keeping with the understanding reached at the conference, it was decided that the agricultural supplies board should serve as the central directive agency, giving leads based on the needs of the situation in Britain or Canada. The board suggested bacon-hog programmes for each province last October in the light of feed supplies and other factors.

In November seed conservation and utilization programmes were suggested to each province. These programmes, it may be added, were found acceptable and were put into effect by the provincial committees. In response to a request by the provincial delegates that the board keep them fully informed of its activities, seven monthly progress reports were issued by the board down to April 30, 1940, as well as a quarterly report at December 31, 1939, and a complete summary of activities to March 31, 1940. Beginning with the second monthly progress report, reports received from the provinces were appended so that the board became a clearing house for news, not only as between itself and the provinces but also between the various provinces themselves.

Up to April 30, Nova Scotia and Alberta had each sent in six progress reports, to accompany the reports of the board. Ontario had sent in three; New Brunswick, Saskatchewan and British Columbia had sent in two each, and Prince Edward Island had sent in one. No official progress reports have been received from Quebec and Manitoba although communications of other kinds have been received. The provinces have likewise been kept supplied with copies of orders in council and other documents relating to the work of the board, as well as with copies of press releases when such provided suggestions dealing with production matters. Through correspondence the board and the provincial officials likewise maintain contact.

In support of its production work the board issued forty-five different special pamphlets in its war-time production series, publishing them in large enough quantities to enable them to serve the needs of the provincial departments of agriculture. These pamphlets present in a short, practical form information of particular value in war time. The total printings of these pamphlets ran to 1,147,000 in English and 310,000 in French, or 1,457,000 in all. Five of the pamphlets have already had to be reprinted to meet the demand. Not only have considerable quantities been distributed by the provincial departments of agriculture, experimental farms and agricultural colleges, but as a result of radio publicity and notices in the press copy issued by the dominion department of agriculture, large numbers have gone directly to farmers requesting them.

The general public has been kept fully informed of the war activities of the Department of Agriculture through public addresses, through statements released to the press and agricultural papers and by means of radio. I am not going to take the time to read what has gone to the press itself, although I have a fairly complete summary of that. Much of what went to the press has appeared in the press from time to time. Use has been made of the department's farm broadcasts to keep farmers throughout Canada informed of the various aspects of the war effort, and to give out special news when necessary. As examples, one might mention the special statement issued over the air by the bacon board following the developments in Denmark early in April, the publicity given to the special pamphlets published by the agricultural supplies board as these became ready for distribution, and the three special messages broadcast this spring, to farmers in eastern Canada, suggesting measures which might be taken this year to make themselves more independent of purchased feeds.

Specific requests by the United Kingdom have been met for supplies of bacon, cheese, eggs, fibre flaxseed, and flax fibre and tow. The arrangements between the United Kingdom and Canada for these products either provided for a greater supply than has usually been exported from Canada or about the same supply as usual. Bacon and fibre flaxseed exports are larger than usual, while exports of cheese and eggs will be about the same. Restrictions have been placed by the United Kingdom on the importation of apples, tobacco and dressed poultry. Import licences for honey were withheld for a time. Imports of canned goods were not licensed until late in March, with the result that Canadian supplies were exported in large volumes. Mr. Speaker, I should like to be permitted to place upon *Hansard* a table showing the movement of Canadian farm produce to the United Kingdom this year as compared with the last two years. The table is as follows:

Exports to United Kingdom September to March inclusive

	1939-40	1938-39	1937-38
Wheat and flour..bush.	54,886,146	57,361,894	46,459,977
Barley..bush.	3,079,771	8,212,950	8,737,300
Oats..bush.	2,046,668	4,154,191	2,131,885
Rye..bush.	57,143	44,298	54,873
Bacon and hams..cwt.	1,613,143	950,141	1,049,180
Other pork..cwt.	3,130	4,623	8,146
Lard..cwt.	13,525	74,115	118,013
Dressed poultry..lb.	789,679	2,614,717	1,361,840
Eggs..doz.	903,240	1,129,888	1,336,580
Butter..cwt.	1,972	88,800	36,265
Cheese..cwt.	539,411	459,136	459,469
Apples..bbls.	1,178,802	2,490,861	2,039,706
Canned apples..lb.	24,375,945	8,978,215	8,820,647
Canned pears..lb.	21,927,200	6,031,986	5,559,792
Total canned fruits..lb.	54,138,609	18,055,474	18,027,065
Total canned vegetables..lb.	138,163,689	51,843,680	38,921,417
Honey..lb.	5,057,319	3,133,437	1,809,868

For the immediate benefit of the house I will read one or two of the most important. In wheat and flour we exported to Great Britain in the months from September to March of this year a total of 54,886,000 bushels.

Mr. HOMUTH: Are those months inclusive?

Mr. GARDINER: Yes. In 1938-39 we exported 57,360,000 bushels, and in 1937-38, which was a small crop year, we exported 46,459,000 bushels. It will be seen that exports during the months of this year compare very favourably with exports during the same months in the previous two years. Exports of barley are down to less than half, while exports of oats are down to about half what they were last year but are about the same as they were the year before. Exports of rye are about the same. Exports of bacon and ham totalled 1,613,000 hundredweight as against 950,000 hundredweight a year ago, and 1,049,000 hundredweight the year before that. Our exports this year were more than fifty per cent greater than they were during the same period last year.

Exports of eggs totalled 903,000 dozen as against 1,129,000 dozen last year and 1,300,000 dozen the year before. Exports of dressed poultry were down to about one-third of what they were last year, while exports of cheese were considerably higher than they were last year. Exports of apples were down from 2,490,000 barrels to 1,178,000 barrels, while exports of canned apples rose from 8,978,000 pounds to 24,000,000 pounds. I could continue to go through the list, but I have suggested that it be published in full in *Hansard* for the benefit of hon. members.

Mr. SENN: Would the minister tell us why those two months only were chosen?

Mr. GARDINER: We have taken the months from September to March inclusive, the months we have been at war. We have compared the exports during this period with the exports in the previous years in order to indicate what change has occurred this year as compared with the other years as a result of the fact that we are at war.

Mr. SENN: I understood the minister to mention two months only, rather than six.

Mr. GARDINER: It is the whole period of the war from September to March inclusive. The Canadian government is directly concerned in the export of bacon, cheese, fibre flaxseed. Egg exports go through the normal trade channels. Government guidance was necessary in connection with the export of apples, poultry and tobacco in order to ensure that producers in all sections of the country received a fair share of the restricted market.

I should like to give the house the particulars with regard to the bacon agreement. Canadian bacon was requisitioned by the ministry of food in Great Britain from the first week of the war. Settlement was made with the packers' agents until the bacon board took control of shipments the week of January 20, 1940. The agreement provides for weekly shipments of 5,600,000 pounds until the end of October, 1940. A flat price of $20.18 per 112 pounds for grade A bacon, basis Canadian seaboard, is being paid by Great Britain, which is equal to $18.01 per 100 pounds of bacon.

The four members of the bacon board are leading men in the agricultural industry, all having broad administrative experience as well as a practical knowledge of farm operations. The advisory board is composed of men representing the producers and the bacon trade. One duty of the bacon board is to ensure that the supplies required for export will be available.

Mr. CASSELMAN (Grenville-Dundas): Would the minister give us the names of the representatives?

Mr. GARDINER: I was going to have that submitted in an appendix, but if it is preferred I can read the names now.

Mr. CASSELMAN (Grenville-Dundas): Read them now.

Mr. GARDINER: The bacon board, appointed December 20, 1939, consisted of Hon. J. G. Taggart, Minister of Agriculture for Saskatchewan, (Chairman); S E. Todd, Secretary, Industrial and Development Council of Canadian Meat Packers; L. C. McQuat, General Agricultural Agent for C.P.R.; Adrien Morin, Chief, Live Stock Branch, Quebec Department of Agriculture; L. W. Pearsall, Dominion Department of Agriculture, Secretary-Manager.

The bacon advisory committee, appointed December 20, 1939, consisted of William J. Reid, Charlottetown, P.E.I.; H. Wilson, Charring Cross, Ontario; J. H. Tapley, Toronto, Ontario; K. N. M. Morrison, Barrie, Ontario; F. H. Downing, St. Boniface, Manitoba; John Burns, Calgary, Alberta; John Harrold, Namao, Alberta; Joseph Bisson, Montreal, Quebec.

Mr. SENN: Have all of these gentlemen or any of them been nominated by agricultural organizations, or were they the choice of the minister?

Mr. GARDINER: Quite a number of them are not, of course, members of agricultural organizations. Mr. Downing I think was recommended by the cooperative organization in Manitoba. Mr. Harrold was chosen I think simply as a representative farmer actually producing hogs in the central part of Alberta, and Mr. Morrison of Barrie was chosen as the manager of the only farmers' cooperative packing plant in Canada. Mr. Reid was chosen I think by some group in Prince Edward Island, and the others were selected because of the positions they occupied.

One duty of the bacon board is to ensure that supplies required for export will be available. This necessitates regulation in the marketing of bacon and storing the product in the season of surplus production to make up deficits in the summer months, when hog marketings are usually light. Another duty is to arrange for price differentials between grades so as to ensure the maintenance of pre-war quality as required by the agreement.

A deduction of 72 cents per 100 pounds was made by the bacon board for the period January to April in order to build up a fund. Recently the amount deducted was increased. The purpose of the fund is to pay for storage on bacon held over for summer shipment and to pay a higher price during summer months.

Supplies of hogs coming forward from farmers in the first four months of 1940 were much greater than those required to fill the weekly quota of 5,600,000 pounds of bacon. The amount of bacon requires about 48,000 hogs weekly. Hog marketings averaged 93,000 hogs per week from January 1 to March 31. Domestic consumption usually requires 40,000 per week, which leaves an excess over export and domestic needs of 5,000 hogs weekly; that is of Canadian delivery.

From January to mid-April the board authorized packers to store to its account a quantity each week. Storage stocks accumulated in heavier volume in the first three months of 1940 than was the original intention of the board. There seemed good reason to believe during that time that Great Britain would require quantities in excess of the weekly quota shipments, and during a considerable part of that time she was taking bacon in excess of the weekly requirements.

However, even after the German invasion of Denmark word was received from the United Kingdom that Canada could not expect to ship any quantity of bacon over the minimum of 5,600,000 pounds per week during the life of the contract. Storage stocks in Canada at that time were sufficient to supplement the smaller summer production. Accordingly the board was forced to restrict storage from mid-April in gradually declining amounts until May 4, when all into-storage movement for the account ceased.

Mr. SENN: I do not like to interrupt the minister so often, but would he state how much of that surplus was due to imports from the United States?

Mr. GARDINER: I was just coming to that. It is only fair to say this, that while the figures I have given to the house deal with Canadian production only and do not deal with the importation from the United States, there was a considerable importation of pork products into Canada from the United States during those six weeks beginning about the middle of January and running towards the end of February.

Mr. HANSON (York-Sunbury): Would the minister tell us the amount of the importation?

Mr. GARDINER: In round figures, 24,000,000 pounds, and those 24,000,000 pounds have had some bearing upon the 68,000,000 pounds we have in storage in Canada or had at the first of May.

Hog prices on the domestic market held steady, $9 per hundredweight Toronto, and $8.60 Winnipeg, as long as the board was willing to pay for storage of excess quantities.

However, packers were nervous about the outlook and early in April price declines occurred. The invasion of Denmark inspired confidence that excess supplies would be needed, but by April 17 definite word was issued by the bacon board that Great Britain would not require any extra bacon for the time being.

The average price of domestic supplies, including the cheaper United States product, was below the price paid for Canadian hogs up to March 31. The margin over the cost of American pork allowed the payment of export values for the limited number of Canadian hogs going into domestic consumption. Now, however, it is necessary to place in domestic consumption all hogs except those being processed for immediate shipment to the United Kingdom. Accordingly, domestic hog prices fell and now are about $1 per hundredweight lower than during the period December 22, 1939 to March 31, 1940. Future prices will depend upon the volume of hog marketings and the rate of domestic consumption in the next few months. Prices are now being adjusted to the average of the export and domestic value of the product. The meaning of that is that an adjustment has been made in the price which goes to the packer. The price has been reduced by one-half cent a pound from what it was during the winter months.

Mr. HOMUTH: Is the packer still getting the same return, because he is buying his hogs cheaper?

Mr. GARDINER: I have just stated that the price to the packer who delivers under the contract with Great Britain has been reduced by one-half cent a pound.

Mr. HOMUTH: The packer is making no sacrifice.

Mr. GARDINER: He is making a sacrifice to the extent of one-half cent a pound; that is, he is getting one-half cent a pound less.

Mr. HOMUTH: But he pays less.

Mr. GARDINER: He pays less, but that only affects about half the hogs, for about half the hogs go into domestic trade and the other half for export.

Mr. SENN: Is not the 72 cents per 100 pounds deduction from the price paid by Great Britain sufficient to keep on storing hogs?

Mr. GARDINER: It is not sufficient to keep on storing hogs and at the same time make provision for giving an advance in price to the farmer during the month, say, of July if it is found possible to do that under conditions then existing. There is a twofold purpose in the set-up of the board.

Mr. PERLEY: What was the duty paid on the pork imported from the United States, and was there a drawback?

Mr. GARDINER: The duty was 1¼ cents a pound under the trade agreement with the United States. There had been a drawback prior to the time this agreement came into effect, but that drawback has been withheld since the agreement came into effect. The question has been raised by some people whether it should be retroactive but, up to the present moment, the whole drawback has been withheld.

Mr. CASSELMAN (Grenville-Dundas): How much did the drawback amount to?

Mr. GARDINER: I am not at the moment in a position to say, but it would be 99/100ths of 1¼ cents a pound.

Mr. CASSELMAN (Grenville-Dundas): On 24,000,000 pounds?

Mr. GARDINER: At the moment I have not the figures. Prices are now being adjusted to the average of the export and domestic value of the product. Cooperation of the trade is being secured to increase domestic consumption, this being one means to relieve the supply situation.

I should now like to say a few words regarding cheese. No restrictions were placed on the importation of Canadian cheese into the United Kingdom until late in March, 1940.

Mr. HOMUTH: I do not want to interrupt the minister; I think the house is willing to give him plenty of time. Before he leaves the question of pork, I wanted to ask him a question. I understand there has been an arrangement made that United States pork is not coming in; it is put on a quota basis. Will the minister explain to the house under what clause of the trade agreement that was done, or how was it done?

Mr. GARDINER: Since the trade agreement was made with the United States there have arisen a number of instances where it has been necessary to negotiate as between the two governments in relation to certain developments. We had negotiations, for example, with regard to cattle. At first, provision was made for a number of cattle to be exported, and when we came to the end of that number, whether it was the middle of the season or whenever it was, we ceased to send cattle into the United States. It was afterwards arranged to put the quota on a quarterly basis.

When war was declared there was a considerable interference with the movement of furs

from one country to another; and the United States government asked the government of Canada to consider placing a quota on furs moving out of Canada into the United States. That was done.

When the question came up of the importation of pork products into Canada, it was obvious that, had we just placed an embargo on the importation of those products we would have met with some opposition from our United States friends with regard to cattle or some other products going into that country. Therefore negotiations were carried on with the government of the United States, and they agreed, on the request of this government, to place the quota on the basis of what it had been monthly from January 1 to September 30, 1939. So it is now on that basis, of about 1,600,000 pounds a month.

Mr. HOMUTH: That will remain in force during the life of the trade agreement?

Mr. GARDINER: Yes.

Mr. FAIR: Before leaving the hogs, may I ask whether it is not a fact that the packers have a guaranteed price for the products they sell and that the producers have to take the price that the manipulated market will afford?

Mr. GARDINER: The point that has been mentioned is probably not as clear as it might have been in the statement I have just made. It is this, that when the bacon agreement was first made, the government was allowed $18.01 a hundredweight at the port of shipment for any bacon which he was shipping to Britain. The government was provided, under the agreement, with $18.01. The packer was allowed $17.29; which leaves, I think, 72 cents a hundred pounds to be placed in a fund. In that fund, before the 72 cents was taken, there was already some $300,000, which represented the difference in price paid in the first two months of the agreement to farmers for hogs as compared with the price the packer was getting for the bacon. Then, since a date which I have not before me at the moment, the price to the packer has been reduced another half-cent a pound, and that half-cent is also going into the same fund. So during the early weeks of the agreement the fact that pork products were coming in from the United States in considerable volume made it possible for the packer to pay more to the farmer than the agreement would have permitted him to pay. During that time the farmer was actually getting more for his hogs than the British agreement by itself would have provided for, simply because of the fact that a price was being charged to the consumer in Canada for United States products which made it possible to pay a higher price to the farmer. During that period we did not consider it advisable to put the price on the basis of the payment which was being made to the packers for bacon. Now, of course, the situation is changed somewhat; but an attempt is being made to adjust the consumption, so that later on a better price can be paid to the farmer as a result of these activities.

Mr. FRASER (Peterborough West): May I ask the minister if he implies that the trade agreement is working against the interests of the Canadian farmer?

Mr. GARDINER: No, I do not think so, because during the winter months we received 2½ to 4 cents a pound more for our hogs than they were receiving in the United States; during considerable part of that time, from 1 cent up to 2½ cents per pound more than would have been provided to our farmers had it not been that we had this agreement with the United Kingdom and arrangement with the United States.

Mr. WRIGHT: What is the price the farmer will get on the basis of the export market alone?

Mr. GARDINER: It would depend, of course, where he was.

Mr. WRIGHT: At Winnipeg?

Mr. GARDINER: At Winnipeg it was something under 8·60 cents a pound. At Toronto it was something under 9 cents at that time.

Mr. WRIGHT: How much under?

Mr. GARDINER: I could not say offhand. It would be a very small fraction of a cent.

To return to the discussion of cheese, as I was saying, no restrictions were placed on the importation of Canadian cheese into the United Kingdom until late in March, 1940. From the commencement of the war until that time sales were made through the regular channels. In other words, there was that difference between the importation into Britain of bacon and the importation of cheese. There were restrictions on bacon but no restrictions on cheese during the months of last winter. From the commencement of the war until that time, sales were made through the regular channels. A substantial increase in exports occurred at prices considerably above those prevailing before the war. Pre-war prices, however, were abnormally low.

Discussions took place during the fall of 1939 with regard to the possibility of concluding an export cheese contract. Rapidly rising cheese prices owing to unrestricted sales in the United Kingdom and the consequent

stimulus to exports resulted in the clearing out of most of the cheese held by producers. The matter of making an agreement was, therefore, held over until 1940.

The United Kingdom took steps to control the price of cheese in March, and a general import order was issued on March 20. From March 27 to April 15 import licences were granted for Canadian cheese on a restricted price basis.

Practically all details of a cheese agreement were concluded by May 20, and the agreement has now been made. It was announced in the press last evening. The agreement is retroactive to May 1. The ministry of food agrees to purchase from Canada up to 35,000 long tons of cheese from the production of the season ending November, 1940. That is, between May 1 and November 1, 1940, they will take 35,000 long tons. A dairy products board has been established in Canada to carry out the provisions of the agreement. The contract price, basis f.o.b. ocean steamer or rail Montreal, is to be 14 cents for first grade, 13½ cents for second grade and 13 cents for third grade cheese.

In regard to fibre flax, British sources of flax fibre and fibre flax seed having been curtailed as a result of war developments. The United Kingdom authorities sought from Canada increased supplies of fibre and asked that seed surplus to Canadian requirements be made available to the government of Northern Ireland, where such seed was urgently needed. By order in council P.C. 3532, of November 7, 1939, the export of fibre and tow was prohibited save under licence, to make sure that these products should go to the British fibre control board. Plans were likewise made by the agricultural supplies board to increase the area sown to fibre flax from the 8,000 acre figure of 1939 to some 22,000 acres in 1940, and after sufficient seed had been set aside to ensure this expansion in Canada, the remainder, amounting to 17,754 bushels, was shipped to Northern Ireland.

Exports of Canadian eggs went forward to Great Britain in the last four months of 1939, and were paid for at values fixed by the ministry of food. Import licences were required and were freely issued. Negotiations took place between the two governments during the fall months, but owing to brisk fall distribution in Canada and volume of exports to Great Britain, quantities immediately available were insufficient to make an agreement possible. In January a surplus of eggs developed in Canada, and negotiations for an agreement were renewed. In the meantime some advertising was done in Canada to dispose of an impending accumulation in stocks of fresh eggs. By the end of April the United Kingdom made a definite offer for the purchase of eggs for May and early June shipment and for fall delivery. The agreement was concluded by May 3. The ministry of food will purchase through normal trade channels, and exporters are being requested to make offers through their agents. If private trading is not successful, the Canadian government is prepared to establish an agency to facilitate shipments.

Concerning the conservation of essential supplies, required in the production of agricultural products, the agricultural supplies board in the fall of 1939 established three special committees to deal with seed supplies, fertilizers, and pesticides. In some instances requirements have been cut off from Europe as a result of war, and in others it was feared that the export demand would quickly deplete Canadian stocks. The seed committee made a comprehensive survey of Canada's seed supplies in September, 1939. Sufficient seed for all requirements was found to be available for 1940, while many vegetable seeds were sufficient in supply for 1941.

Action was taken through provincial agencies for the conservation and utilization of rust-resistant and other valuable strains and varieties of cereals. The cooperation of the provinces interested in field beans and peas was sought to encourage increased production for domestic needs.

I have already dealt with the matter of fibre flax seed to the extent I think it need be discussed. Certain arrangements were made with regard to seed potatoes; and field root seeds, garden vegetable seeds, and fertilizer supplies were arranged for under the committee set up.

Mr. HATFIELD: What was the advance in price on fertilizer, and how much was exported from Canada to the United States?

Mr. GARDINER: I have not those figures; I will get them when the estimates are before the house.

The pesticides supply committee investigated the supply of insecticides, fungicides and disinfectants, and arrangements were made for these supplies.

There have been certain discussions with regard to feed for the feeding of live stock in different parts of Canada.

There is one other matter that I should like to deal with. I refer to the question of the apple agreement. The government has kept continuously in touch with British government authorities in an endeavour to dispose of farm products such as apples and poultry. The Minister of Mines and Resources (Mr. Crerar) and the government

officials who accompanied him overseas in November, 1939, carried on discussions with the United Kingdom government. An export outlet was obtained for 1,350,000 long hundredweight of apples, 8,000,000 pounds of tobacco and a quantity of dressed chickens. The apple quota was based on 50 per cent of the average shipment for the previous two years, while the dressed chicken quota was 50 per cent of the 1938-39 exports.

In September it was anticipated that the United Kingdom would import very few apples from Canada, partly owing to the fact that a large crop was available in the old country and partly because apples were not considered as essential as some other foods. Canada usually produces annually from four to five million barrels of apples, and the 1939 crop was nearly five and one-half million barrels. The government met apple growers and representatives of the trade at a conference on September 15, 1939. At this conference it was agreed that the dominion government would aid the industry by (a) direct purchase of apples; (b) assistance in canning and dehydrating; (c) zoning of sales areas in Canada; (d) raising minimum grade standards; (e) advertising and merchandising campaign; and (f) negotiations with Great Britain to obtain at least a portion of the crop.

An agreement was formed with Nova Scotia growers and processors to absorb their surplus of apples by processing, manufacturers to pay prices based on 65 per cent of the average of the past three years for No. 1 and domestic grades. There was packed in Nova Scotia a total of 1,735,726 barrels, of which 1,214,465 barrels were processed; 349,981 barrels were exported to the United Kingdom; 30,567 barrels were exported to other countries and 140,713 barrels were sold in Canada. At March 31, the Nova Scotia marketing board, which took over full control of this province's apple marketing, had no supplies for either export or local sales. Under the agreement with Nova Scotia manufacturers, an unsold balance of 546,653 cases of canned apples and 154,633 cases of dried apples came under government disposal on May 15. This quantity represents 49 per cent of the total quantity canned, 512,754 barrels, and 76 per cent of the quantity dried, 712,041 barrels. The apparent value of the quantity on hand is $1,408,130. The government loss on the whole operation is expected to be $1,154,000.

Mr. SENN: Is that Nova Scotia alone?

Mr. GARDINER: Yes.

Mr. SENN: Has the minister the Ontario figures?

Mr. HATFIELD: Were any apples imported from the United States?

Mr. GARDINER: There would be some. Exports of both canned and dried apples were below expectations, and recently the United Kingdom placed restrictions on importations of all canned fruits and vegetables. It is possible, therefore, that the loss on this project may be greater than the figure I have given to the house as the present loss.

The dominion government agreed to guarantee against loss on consignment exporting of British Columbia apples to the extent of $425,000. The actual expenditure on this project was $106,750. In addition, the government purchased 90,000 boxes of British Columbia apples at a cost of $87,500 for relief distribution in the drought area of western Canada. British Columbia had 67,244 boxes of apples in storage on May 4. This figure is in line with stocks in previous years. The total distribution of British Columbia apples in both export and domestic trade was not dissimilar to that of the previous year. More sales were made in western Canada, less in eastern Canada; slightly less were exported and more were processed.

The government agreed to purchase 75,000 barrels of Ontario apples undisposed of at March 31. No request was made for this assistance because exports of Ontario apples exceeded expectations.

The steps taken by the government relieved a serious situation. The apple advertising campaign was instrumental in increasing domestic consumption by 33 per cent throughout the dominion. The agreement with the United Kingdom to export 1,350,000 long hundredweight aided greatly in relieving the all but hopeless situation. The department in cooperation with the apple advisory committee arranged for a fair distribution of this export quota among the then main production areas.

An interesting development as a result of the large surplus of apples has been the introduction of a new fruit juice made from Canadian apples. Nearly 1,000,000 gallons of this new product were produced from the 1939 crop as compared with some 60,000 gallons from the 1938 crop. So popular has this product proved itself that supplies on hand are not sufficient to meet the demand for the remainder of this year. As a result, the 1940 production is expected to be a great deal larger and of a more uniform and higher quality. Special grades have been established by the department to ensure a quality product to the consumers.

On the assumption that imports of Canadian apples will again be curtailed by Great Britain in the 1940-41 season, the government has already taken steps to meet the situation. A basis for an agreement has been drawn up for Nova Scotia, and arrangements are under way for discussions with representatives of the British Columbia and Ontario apple industry. Under the proposed agreement with Nova Scotia the government agrees to guarantee to producers a percentage of the average return for apples of the more desirable varieties and grades usually exported.

In conclusion I should like to make this statement. Speaking in Winnipeg on November 15 last I stated:

> So long as there is a prospect of Britain being able to keep the trade routes open we should not become too anxious to change our agricultural objectives in this country. We will probably do most for ourselves and Britain by continuing to produce just what we have been producing, improving immediately the quality and stepping up the quantity as the demand develops.

That advice was not accepted as sound by some but was acted upon by most. The result is that we have not an unduly high storage of any product, although more of every farm product, with the exception of cheese, was in storage on May 1 last than on the same date during any of the previous three years. The records show that because of an increased production of cheese there will be more available for delivery this summer. The following table will show our storage on May 1 of this year as compared with May 1 in each of the preceding three years.

Stocks of farm products in store on or near May 1

Commodity	Unit	1940	1939	1938	1937
Wheat (visible)	'000' bush.	298,448	134,916	41,744	72,228
Oats (visible)	'000' bush.	10,288	8,978	8,200	7,858
Barley (visible)	'000' bush.	9,605	6,980	8,204	8,712
Rye (visible)	'000' bush.	4,587	2,327	1,226	1,843
Flaxseed (visible)	'000' bush.	680	165	417	704
Pork	'000' lb.	68,716	36,477	44,358	57,946
Beef	'000' lb.	20,362	12,822	15,383	13,907
Veal	'000' lb.	2,303	2,520	2,170	2,105
Mutton and lamb	'000' lb.	2,651	1,914	1,713	3,252
Lard	'000' lb.	3,880	3,162	3,450	2,954
Imported pork	'000' lb.	3,802	46	—	—
Butter, creamery	'000' lb.	10,320	9,650	4,543	5,817
Cheese, factory	'000' lb.	13,684	26,508	17,787	15,985
Concentrated whole milk (1)	'000' lb.	10,571	7,025	8,601	7,319
Eggs in shell	'000' doz.	4,600	3,148	4,440	4,570
Eggs, frozen	'000' lb.	3,756	2,527	2,839	2,797
Dressed poultry	'000' lb.	7,858	5,128	4,951	8,146
Apples	'000' bush.	262	213	266	106
Potatoes	'000' tons	56	88	48	5(2)
Onions	'000' tons	3	1	—	1(2)

(1) April 1.

(1) Does not include stocks held by commercial growers.

There is one other point I think I should mention before sitting down, because it has been brought up on quite a number of occasions since this debate opened and I believe was mentioned again this afternoon when I was not in the house. I do not know whether I followed the lead of the previous leader of the opposition who, toward the end of the campaign and later on, said that he probably addressed too many meetings during the campaign, but apparently I addressed some meetings which my friends think I should have addressed in a different way. In the first place it was suggested that I had stated at some meeting somewhere or another that there would be an interim payment on wheat. If I may be permitted to do so, I should like to read the newspaper report in question in order that I may point out just what it does say. This report went right across Canada; I saw it in newspapers in different parts of the country. It states:

> Definite promise of amending legislation to provide for a ten or twelve cent interim payment on the current year's wheat crop was made here Wednesday afternoon by Hon. J. G. Gardiner. The Minister of Agriculture declared that if the King government was returned to power the present bill would be changed so that a payment might be made as soon as possible.

That is the report of the meeting at Wilkie on March 21 of this year, and it will be noted that what has been stated in the house does not appear in this report.

Mr. HOMUTH: It sounded like a good promise.

Mr. GARDINER: As a matter of fact my promise was that if the present government was returned to power I would recommend to the government that the wheat board act of 1935 be amended to provide that an interim payment could be made if circumstances warranted that being done. I have made that recommendation to the government, but I am not in a position to state to-night whether or not my recommendation will be acted upon.

Mr. PERLEY: Would the minister quote from the *Leader-Post* of February 9?

Mr. GARDINER: I do not have it before me.

Mr. PERLEY: That is an important quotation, because there was a distinct promise made under certain conditions.

Mr. GARDINER: The statement in full would be in these terms, that in 1935 we had an act placed on the statute books of Canada providing for an initial and a final payment. It did not provide for an interim payment, nor did it provide what the initial payment would be. During the session of 1939 we amended the act in order to provide that the advance payment should be 70 cents, and left the clause providing that there should be only the advance and the final payment. I may be wrong, but it was my opinion that if it had been brought to the attention of the house at that time, provision would have been made for an interim payment. An interim payment is one to be made when a sufficient amount of wheat has been sold at a sufficiently high price to make that payment possible without the government taking any loss. That is what an interim payment actually means. If the act provided for an interim payment, such payment would be made only provided there had been a sufficient sale of wheat at a sufficiently high price to make any such payment possible. In addition to what I have already said I stated that if all the wheat could be sold at the price prevailing, which was somewhere around 87 cents a bushel on the day I was speaking, a payment of from ten to twelve cents a bushel could be made; and if the act were amended to make an interim payment possible, such a payment could be made if a sufficient volume of wheat were sold at 87 cents or higher to make that payment possible.

Mr. DIEFENBAKER: What proportion of the 1939 wheat crop has been sold up to the present time?

Mr. GARDINER: I should prefer to have the hon. member reserve that question until the estimates of the Minister of Trade and Commerce are brought down; for, after all, that is a matter dealt with by his department.

Mr. PERLEY: The statement of the minister at both Regina and Wilkie mentioned another condition, did it not, which would have to prevail in order to have an interim payment of five to eight cents or ten to twelve cents?

Mr. GARDINER: I do not recall that at the moment.

Mr. PERLEY: Did not the minister say something about storage charges being avoided?

Mr. GARDINER: The carrying charges at that time would be around four to five cents, and if you provided four to five cents for storage and carrying charges out of 87 cents a bushel you would have ten to twelve cents a bushel left as an interim payment. Both things are involved in the one statement.

Mr. PERLEY: Then why did the minister suggest five to eight cents on February 6 and ten to twelve cents on March 21?

Mr. GARDINER: Because the price was lower at one time than it was at the other, at least according to my information. If the price were around 80 cents a bushel you could not pay more than 5 cents; if it were 82 cents, you could pay 2 cents more; and if it were 87 cents, you could pay 5 cents more.

Mr. PERLEY: The price was 87 cents on the first occasion and very little more on the second.

Mr. GARDINER: I do not remember now what the prices were on those dates, but usually before making a speech I would look at a newspaper to see what the price was and then calculate the amount in accordance with that price.

Mr. PERLEY: Then in accordance with these promises or statements with respect to an interim payment, will the minister in due course bring in the necessary legislation to amend the act?

Mr. GARDINER: I can only say that this would not be my legislation. This matter is not dealt with by my department at all. If it had been, probably I would have said more than I did say. I said I would recommend to the Minister of Trade and Commerce that certain things be done, and have made that recommendation. We have not the same Minister of Trade and Commerce to-day, but no doubt the present minister has my recommendation before him.

Mr. PERLEY: I think the minister should have made that clear to the electors.

Mr. GARDINER: I made it very clear to the electors. If those are all the questions, I should like to say in conclusion—

Mr. ROSS (Souris): May I ask how much wheat has been imported into Canada this year?

Mr. GARDINER: My hon. friend will have to get those figures from the Minister of Trade and Commerce (Mr. MacKinnon). If I may be permitted to conclude—

Mr. PERLEY: Just before the minister concludes—

Mr. GARDINER: I think I have been fairly liberal in answering questions—

Mr. PERLEY: I believe I have been rather generous to the minister on many occasions and I think he might extend the same courtesy to me now. At the same time the minister made another statement with respect to interim payments, namely, that the farmers would have representation on the wheat board, and also that the advisory committee of the board would be reappointed. A statement to that effect was made by the Minister of Trade and Commerce, namely, that the wheat advisory committee would be appointed in a few days following February 9, when the minister made the statement.

Mr. GARDINER: That statement was made on the authority of the whole government, so I think the hon. member will find it will be carried out.

The remark I would wish to make would be this, that so far as agriculture is concerned, war always brings great difficulties to farmers. We in this house who represent agricultural constituencies are interested in seeing that farm surpluses which do accumulate from time to time in the early stages of the war are properly taken care of, and that farmers do not have to assume too great a share of any losses which may be incurred during the early years of a struggle of this kind.

We do not expect that in this war farmers will receive as high prices for farm products as they did during the last war, but we do hope that matters will be so managed during the period of the war that the farmer will secure his just returns, those returns always bearing a proper relationship to the fact that we are at war and that it is more important that we should win the war than that any other thing should happen.

[Mr. Gardiner.]

Mr. SPEAKER: I should like to make a statement. We have got, as it were, into a committee form of procedure. Questions have been asked of ministers and answers have been given. The house will notice that during the whole debate I have not endeavoured to limit any of the ministers to the forty-minute rule, although they would properly come within its operation. The reason is that I sensed it was the feeling in the house that as much information as possible should be obtained from the government. Therefore I have allowed ministers to speak more than forty minutes, always realizing that if they wished they could speak again during the discussion on the resolution in committee. Under those circumstances, however, their remarks would be disjointed.

As I say, it appeared to me it was the sense of the house that ministers should make their statements fully, rather than that I should invoke the strict rule. However, I call attention to the fact that the forty-minute rule still exists, so far as other hon. members are concerned. I have permitted the ministers to speak at great length because I believed the house wanted to have as much information as possible before the discussion on the resolution in committee.

Hon. W. E. ROWE, (Dufferin-Simcoe): Mr. Speaker, may I be permitted at this time to congratulate you, an old colleague of mine in the house, upon the responsible position you have assumed, and also upon the creditable manner in which you are discharging your responsibility.

In rising to discuss this measure, I do so with very different feelings from those which have animated me on many occasions in the past. I realize, as every hon. member must, that at this moment we face a situation so grave that it challenges each and every one of us to approach the problems at present before us with an outlook different from that with which we have allowed ourselves to approach problems on other occasions.

I do not propose for a moment to review statements which were made during the election campaign. I do not propose to discuss promises or gestures made here and there throughout the country, nor do I propose to take up the time of the house in complimenting the government upon its return to power or in giving any empty flattery to the political expediency which often brings about these situations. I say that because I am conscious of the fact that to-night the situation is so grave and so seriously affects the very heart of the empire that each and all of us are far removed from the narrow partisanship which at times in the past has seemed to prevail.

Problems to-day are different. To-day we are engaged in a conflict which, indeed, is not of our own choosing. It is a great conflict between two great ideals.

It is a conflict which does not involve our methods of farming; it does not involve the profit we may obtain from an industry; it does not involve the social welfare of our people in our national life, but it does involve the decision as to whether or not we are going to retain our national life at all. Therefore, Mr. Speaker, I feel the issue is and has been very clear. Our duty never was so clear as it is to-day, and, in all humility, I say our task never was so great. As an individual member of the house I feel I have a responsibility which, if not as great as that of those sitting to your right, sir, is a responsibility which, as an older member, I must meet.

I have every sympathy for those who are carrying the burden of governmental responsibility in these perilous times, but I do say that even though in these times we seem to have turned to wishful thinking, tragic hesitation and divided council, our duty is still clear. Individuals throughout the country and, indeed, members of the house have wondered much as to what is going on. We know that at times we feel helpless and almost submerged in the problems confronting civilization to-day. I feel that if ever there was a time when each and all of us should feel the gravest humility for the situation, that time is now.

If some hon. member may have thought that in the past I have been partisan, as I have thought some hon. members have been partisan, I would say that not one iota of partisanship is in my mind or heart to-night. As I sat listening to the speeches delivered to-night, and was deciding whether or not I should rise in my place, I could not help thinking of an old saying of my dear old mother. She always said, "When you are in an hour of crisis it might be well to get down on one knee and pray, rather than talk too much." Sir, we face this situation, knowing that only if we exhibit calmness and courage can this empire survive. We have felt that for many months; yes, we have felt it for several years. I say our duty is so clear to-night that we must assume it. We must bring home to every man and woman in Canada a realization of the danger of the German assault to every outpost of freedom, morality and human decency in the lives of men and nations. We must realize that we have a duty—and when I say "we", I include the government of Canada. In this parliament we are the people's representatives, to whom the country is looking to-day for aggressive leadership. They are looking for leadership, not to improve the prices of farm commodities, not particularly to improve the wages of men in the mines or on the farms, not particularly to improve the happiness, social welfare or luxury of the individual in his home. They are pleading to-night at indignation meetings which are being held all over the country that action be taken to save a situation which is well-nigh appalling, to save a situation that can be saved only by courage, confidence and calm resolution. What is needed from this part of the empire as well as from the other parts is not a minimum effort, but a maximum effort.

Not only have we a duty to impress this upon the people, but as a member of his majesty's loyal opposition in this parliament, I feel it is my humble duty to try to impress upon the government of the day the fact that the old land is calling for every man able to hold a gun. I want to impress upon the government the fact that there are millions of refugees in France who are hungry to-day, and before very long there may be millions of refugees in the old land who will be in the same situation. They are pleading for us to do our best. Idle men come to me, as they come to every other hon. member, pleading for a job to do, asking where they can fit into this task.

We have skilled artisans; we have excellent mechanics; we have strong and able-bodied men in this country who are pleading for something to do. Thousands of men are idle and thousands of factories are running only part time or standing idle. We have elevators filled with wheat, and yet before this crisis is over, men and women will be crying for bread. This crisis will not wait the slow pace of our measured political tread which we seem to be pursuing. I intend to try with all my sincerity to divorce myself from saying against any one individual anything which might be construed as being of a partisan and political nature. I have only one motive in mind and, knowing the members of this house as I have known them for many years, I do not believe that there is one within sound of my voice to-night who has any other motive than the one to which I refer, namely, that there is a gigantic task to finish, that there is a victory which must be and shall be won, but can only be won if every part of the British empire makes its maximum effort.

That duty is clearly before us. In the British House of Commons hon. members have made speeches stating that they like our sympathetic sentiments, but that they would rather have guns, aeroplanes and munitions.

I am going to be cautious in what I say because I do not want to tell the enemy of all the failures of the present government. I should like to review to-night why we have not given more in the way of guns. The few guns that we have given stand as an appalling example of the lack of effort. This is the first opportunity the country has had to be told of what is going on. We fought an election when the people expected we would be fighting a war. Much was said then, but I feel that whatever has been done by the government to provide more guns, that whatever has been planned, it is not enough. We must have much greater activity. Our mines and our mills must be driven with fevered desperation lest it be too late.

No doubt the production of munitions is under way; no doubt military plans and schemes have been drafted, but that is not enough. Along with other members of the house I supported a gigantic military scheme to spend $188,000,000 for military equipment. You may recall, Mr. Speaker, that when the first $37,000,000 was voted, I said that so far as my riding was concerned I knew that the people would prefer to have it total $100,000,000. I am here to-night representing, not the farmers in a demand for higher prices, not the business people of my district, but those people who have no other issue in their minds but that Canada shall make the maximum effort to win this war.

I am not going to talk about what has been done in the way of providing munitions, but I know that we have not done what we might have done. I do not think anyone will deny that. Our forges must work overtime; the fires in our factories must never die down. Bombs and shells and bullets must be multiplied mercilessly if we are going to win the war. Our people must be just as merciless in dealing with our common foe.

There is another matter that must be considered, that of food. This country is flowing with milk and honey. For years our farmers have been producing wheat for less than the cost of production. This government and this country as part of the British empire should not worry about selling wheat to Europe; we should be ready to give 5,000,000 bushels of wheat to Great Britain and France to feed their refugees. This should be a gift in order to let them know that we are in this fight. We should send every type of support we can muster from the great heritage we have in this dominion. I should like to see this country realize that while people over there are in their present condition, we should share our bread, slice for slice if necessary, even though we must take up our belts a little in the process.

We are in a fight to the finish. We are going to win; but the sooner we go in wholeheartedly, the sooner we will come out victorious. There is no doubt about that. The hour has struck in Canada. We should let down the dollar sign and let the people see the danger sign. I have received letters from different departments asking me to save money in the next year or two. I hear speeches telling us how we can save the financiers and how we can save prices for the farmers of this country, but that is not our task now. Our task is to save the bulwark of Christian civilization, the British empire.

One other thing we can do is to send men. Many men are clamouring to serve, but they are being refused. They cannot get into the Canadian army. These men should be given an opportunity to serve because it might well be that during this struggle the last soldier could sway the balance to victory. Such a man would feel very much disappointed if he was deterred and hindered from doing his part in this terrific fight because the government was not ready to take him on.

One other item that could be given is aeroplanes and more aeroplanes. We are seeing the effects of the blitzkreig that is now going on, and to face this needs all the calmness, courage and fortitude that we have. We know that members of the Royal Air Force are fighting with courage, determination and skill and their achievements are equal to the best British achievements of the past. We feel here to-night that we should have every factory in Canada working twenty-four hours a day in the manufacture of aeroplanes, and that we should be pressing this to the limit and beyond all limits. I say that the government to your right, Mr. Speaker, will stand condemned on the pages of Canadian history for not having overseas in support of those gallant boys to-night at least 25,000 British fighting planes. Some hon. gentlemen would laugh at even that.

An hon. MEMBER: Nobody is laughing.

Mr. ROWE: The boys of the Royal Canadian Air Force are not laughing to-night, and the government which sits to your right, Mr. Speaker, should not be laughing to-night.

Mr. MARTIN: Nobody is laughing.

Mr. ROWE: I am sure that my hon. friend the member for Essex East (Mr. Martin) is not laughing because he knows the situation just as well as I do, and he has been one of the promoters of training schemes in this country. I repeat that this government will stand condemned on the pages of history for its appalling lack of war preparation, and I challenge any hon. member who

sits in the present administration to rise and deny it. None rises, Mr. Speaker. Silence gives consent.

Mr. MAYBANK: On a point of order, Mr. Speaker, I rose to address you a moment ago, the gentleman who has the floor having resumed his seat. I did not know at the time that it was merely histrionics; I thought he had concluded his remarks.

An hon. MEMBER: What is the point of order?

Mr. MAYBANK: The point of order is that he has lost his right to speak.

Mr. ROWE: This hour is too grave for any quibblings by the hon. member. The people of this country are not very much concerned whether my parliamentary etiquette is strictly according to Hoyle.

Mr. MAYBANK: Nor your histrionics.

Mr. ROWE: I will give you some, and you will not enjoy them before I have finished. As I said when I rose to speak I do not propose for a moment to get into any political argument with my hon. friend to my right or my hon. friends across the way. I have done so in the past and I may do so in the future, but there is an issue much larger than that before us to-night, and I say, Mr. Speaker, that a government which has failed so dismally up to the present time should take the cue and answer the cry from all across this country, perhaps not to resign, but to reorganize the government so that we shall have one that the people can trust to finish the grave task before us. I well recollect the occasion when the present Prime Minister (Mr. Mackenzie King) gave us clearly to understand by his words which are on the records of *Hansard* that he was not prepared to cooperate with Great Britain to the extent of building British aeroplanes here in Canada and training British airmen here.

Mr. MACDONALD (Brantford City): That is not so.

Mr. ROWE: My hon. friend should know for he was here; I am sorry he was not listening. May I be permitted to read from the records of *Hansard*. I refer the hon. member for Brantford City to *Hansard* of July 1, 1938, and may I be pardoned if I omit from what I read the tilts between the Prime Minister and the then leader of his majesty's loyal opposition because I say again that the issue which is facing us to-night is too grave for us to be entertaining ourselves with the smart repartee between those two leaders which they could display on any issue that comes into this house. But I will show the hon. member for Brantford City and other hon. members that the reason why we did not train British airmen in Canada and build British aeroplanes in Canada at a greater speed than we have done was because the Prime Minister of this country refused to consider the matter on that basis. The hon. member for Brantford City again shakes his head. I quote the words of the Prime Minister speaking in this house on July 1, 1938. A discussion had previously taken place on the air training scheme, and there had been mention of an article in the Vancouver *Sun*, as many hon. members will recall. The present Prime Minister said:

> . . . the statement then made was to the effect that no requests had been received from the British government for the establishment in Canada of training centres for aviators of the air force of the United Kingdom.

Mark you: No request was made.

Mr. HOWE: Is the hon. member reading from *Hansard* now, or making his own remarks?

Mr. ROWE: The hon. minister surely trusts me to quote accurately. I have trusted him beyond that.

Mr. HOWE: I did not think the text read as the hon. member was continuing to give it.

Mr. ROWE: I am reading the text and I will pass the copy of *Hansard* over to the hon. member. The Prime Minister went on to say on that occasion:

> Confidential and informal exploratory conversations with respect to training of British air pilots have taken place, but nothing has developed which it was felt warranted a statement of policy. As has been indicated, if any proposals are made by the government of the United Kingdom, the Canadian government would of course be prepared to discuss them with that government and to make its position known to the Canadian people and to parliament. Possibly hon. members have noticed that this matter has been brought up in the British parliament at Westminster where replies have been made to questions asked.

Now I omit a few lines.

Mr. HOWE: Read it all.

Mr. ROWE: You have asked me, Mr. Speaker, not to infringe on the time of the house as ministers are allowed to do, so I shall make my own speech in my own words. The Prime Minister proceeded:

> May I say a word with respect to the idea of having the imperial air force set up flying schools in Canada to train their pilots; in short, a military station put down in Canada, owned, maintained and operated by the imperial government for imperial purposes. I must say that long ago Canadian governments finally settled the constitutional principle that in Canadian territory there could be no military establishments unless they were owned, maintained and

controlled by the Canadian government responsible to the Canadian parliament and people. In the end the imperial naval stations and army garrisons were withdrawn and Canadian authority took over. A reversal of that principle and that historical process at this date is something the Canadian people would not for a moment entertain. Such domestic ownership, maintenance and control of all military stations and personnel is one of the really indispensable hallmarks of national sovereign self-government and an indispensable basis for friendly and effective cooperation between the governments of Canada and those of other parts of the British commonwealth of nations, including the government of the United Kingdom. Outside its homeland a state may have military stations and quarter military personnel in countries which it "owns," in its colonies or "possessions," or in its mandated territories according to the trust deed, or in countries over which it has assumed or been yielded, by some arrangement, what amounts to a protectorate. But no country pretending to sovereign self-control could permit such a state of affairs or its implications and consequences.

Then the leader of his majesty's loyal opposition, the Right Hon. Mr. Bennett, replied:

The question I was about to ask has been answered by the Prime Minister. I would be derelict in my duty if I did not say at once that I wholly and entirely and utterly disagree with that statement. When the ancient partner upon whom we have leaned all these years is not to be permitted to provide effective means for maintaining, not her life but the life of an empire and commonwealth, then I say it is time for us to take stock of the situation.

Mr. Bennett further states, on the same page:

Every man who has read—

This was the position of our party at that time, the position of our leader; yes, and the position the Canadian people believed should have been taken.

Every man who has read the history of modern warfare and knows what is being prepared realizes that the bombers of to-day will make the British islands the very forefront of attack in the next war. They are threatened, and where are they to prepare for their defence, which is our defence? Not in those little islands. And if they want to come here and train and prepare to send their bombers across the ocean if the occasion arises, should they not be permitted gladly to do so and be welcomed? For what they are saving is our civilization, and Canada—and Canada, I repeat.

Mr. MACDONALD (Brantford City): England was always in accord with Canada's stand.

Mr. ROWE: Was Canada always in accord with England's stand?

Mr. MACDONALD (Brantford City): They were one. They have always been one on the air training scheme.

Mr. ROWE: My hon. friend had better read the magazine *The Sphere*. He had better have talked to the three men from the War Office who were out here.

Mr. MACDONALD (Brantford City): I have talked to them all, and I am still of the opinion that Canada and Britain have always been at one on the air training scheme.

Mr. ROWE: May I go further and show from our leader's speech where our party stood at that time? Mr. Bennett said:

And now we are told it would be inconsistent with national sovereignty that we should permit a partner to provide for a contingency that means our life. Do not let us have any misunderstanding about it. When Britain goes we go. Who stands if freedom fall; who dies if England lives? If it was the last word I ever uttered in this house or with the last breath in my body I would say that no Canadian is worthy of his great heritage and his great traditions and his magnificent hope of the future who would deny to the old partner who established us the right in this country to create those centres which she may not have at home to preserve her life and the life of every man who enjoys freedom and liberty under the protecting aegis of that flag.

The present Prime Minister replied:

May I say to my right hon. friend that the course above all others which serves to unite and which serves to keep united the British commonwealth of nations is that which is implied in the words "complete self-government on the part of each of the self-governing dominions" and self-government means control by the government of a country over its own military establishments.

Now, Mr. Speaker, I have every regard for Canada's sovereignty. I say, however, a sovereignty that is tenderly applied might win an election, but only a sovereignty which is courageously executed can win a war. I may say to my hon. friend that this is not in *Hansard*, but it will be, I hope, from now on.

Mr. MacKENZIE (Lambton-Kent): I thought the hon. member was not going to play politics.

Mr. ROWE: Surely it is not playing politics to say that our sovereign place in this British empire requires us to do everything we can to win this war. My hon. friend surely would not say that that was playing politics, for he was one of those who offered their lives in the last great war. But I insist that this matter is all important. If our past record of delinquency in this regard is any indication of the way we are going about this awful task in the future, it is high time that we should make a change which will restore the courage and confidence of our people to face the future, because I am certain that our

people do not believe that we should have some mysterious form of status to prevent us from putting our shoulder to the wheel with the British empire at the time we should have done it, namely, two years ago, not to-day, when we have a war plan or aviation scheme which will be ready in 1942 to meet the blitzkrieg in 1940.

Now may I proceed? I am going to leave out some statements that were made which would be interesting, but I see that my time is flying. If my hon. friend had read this speech in the past he would not have interrupted me as he has done this evening. The Prime Minister said:

> May I say again to my hon. friend that when we have requests from the British government for a particular purpose we shall be prepared to consider them, but we have had no requests from the government of the United Kingdom for the establishment of training stations in this country up to the present.

But mark this:

> We have had some exploratory conversations with respect to what might be desirable with a view to affording facilities for pilots to train, and we have indicated our position. . . .

This was back in July, 1938. The rumour at that time was that the plan was to train 25,000 pilots in Canada each year.

Some hon. MEMBERS: No.

Mr. ROWE: My hon. friends may say, "No," but let them read the British magazines.

Mr. GOLDING: That is absolutely incorrect.

Mr. ROWE: The hon. member would not know. If my hon. friend is such an authority on military developments, why does he not move over closer to the government?

This country is asked to provide a 1942 plan to meet a 1940 crisis. But may I proceed to quote what the Prime Minister said, following what I read:

> We have had some exploratory conversations with respect to what might be desirable with a view to affording facilities for pilots to train, and we have indicated our position, as I have stated it on the floor of this house this morning, that we are quite prepared in connection with our own establishments, to help in affording facilities to British pilots if that will be of service to them.

Some hon. MEMBERS: Hear, hear.

Mr. ROWE: "To help."

Mr. GOLDING: That was not a refusal.

Mr. ROWE:

> But I ask my hon. friend this question—

Mr. MACDONALD (Brantford City): Whom is the hon. member quoting?

Mr. ROWE: I am quoting the hon. member's leader, the present Prime Minister of Canada.

Mr. MACDONALD (Brantford City): There were so many interruptions that I could not follow the hon. member.

Mr. HOWE: One-third Mackenzie King and two-thirds Rowe.

Mr. ROWE: Again my hon. friend doubts me. However, I trust hon. members will believe that I am reading the statement as it appears in *Hansard*.

> But I ask my hon. friend this question: Does he believe that an announcement by any government, either Liberal or Conservative, in this parliament to the effect that the Canadian government was going to permit military establishments in Canada to be owned, controlled and operated from Great Britain, would for one minute make for peace and unity and helpful, cooperative relations between Canada and the United Kingdom and other parts of the British empire?

Mr. REID: What was wrong with Great Britain, anyway, that she did not come forward?

Mr. ROWE: That was the statement made by the Prime Minister. Then Mr. Bennett rose and said:

> The question has been answered. No British government, after the statement made this morning by the Prime Minister of this country, will ever apply to his government for permission to establish an air training school here...
>
> I am sorry; but I have obtained from the Prime Minister a statement which makes it obvious that no British government will face a refusal; and we have the refusal now, before application is made.

Mr. MACDONALD (Brantford City): He is obviously wrong.

Mr. SPEAKER: Order.

Mr. REID: If anybody failed, it was Great Britain.

Mr. SPEAKER: If the hon. member for Dufferin-Simcoe (Mr. Rowe) wishes to permit interruptions, he of course may do so. But unless he gives that permission, no hon. member has the right to interrupt him. I would ask the house to let the hon. member continue his speech, because he is getting near the end of his allotted time.

Mr. ROWE: I thank you, Mr. Speaker. I am not at all disturbed. I have had courtesies from other hon. members, and I do not want to be lacking in courtesy to them.

I leave the rest of the speech, which was made on July 1, 1938, for hon. members to read. To my mind it condemns this government for woeful lack of initiative in the most challenging crisis this country has ever faced.

I do not think that anyone, realizing the critical position of the British empire to-day, can disagree with that conclusion. I would ask hon. members to refrain from interruption, and in quiet solitude as they go to their beds to-night ask themselves, would it have hurt our present war effort if the Prime Minister of that day had said to Britain: "Yes, you have protected us in the past; you protected with your navy our transportation of everything we sell abroad; you have protected the life of this country; you are the only security on which we lean; certainly we will give you the facilities of our vast areas to train your airmen. It may not suit the political whims of some in Canada, but it may defend us against the most brutal assault that civilization has ever seen." I say that in all sincerity, and I would not smile if my hon. friend said it, because the hour has struck, the crisis is here. Our duty is clear, the challenge is clamant throughout the country and the government must hear it.

Canada is a nation at war by her own decision. Canada is in the war as a member of the British commonwealth of nations. But is Canada not at war at this moment, in reality, as a member of the Franco-British commonwealth of nations? No other nation in the league of allied countries is so well equipped by heritage, by language and by ideals to understand the mother nations, Britain and France. It will be to the lasting glory of Canada that she heard the spiritual call of both these great mother nations and chose without delay, without a moment's hesitation, to heed that call of common blood and language, of religion and ideals. Canada is a nation of this western hemisphere and the only nation of this western hemisphere which is at war by her own decision and at her own charge. In this unique position we find ourselves, as a nation, an understanding interpreter and ally of our two mother nations—and pray God this understanding interpreter of the best ideals of two vast hemispheres may survive. Despite those who repudiate every ideal of truth, brotherhood and human honour, despite those who turn every gift of science, invention and industry to the service of robbery, murder and destruction, we must keep faith with those who have gone before, and we shall win. But we shall win only if we are calm, confident and courageous and give all our energy to the task.

Mr. J. SASSEVILLE ROY (Gaspé) (Translation): Mr. Speaker, at this critical moment when we are all filled with anxiety, when we are assisting at the agony of democracy in Europe, and when the spectre of barbarism of which several unfortunate countries have already been the victims is now threatening us—indeed, the war situation as reported to us this afternoon by the Prime Minister is even worse than it was—it is not surprising that the world should be panic-stricken. It is thus, Mr. Speaker, every time that the storm breaks suddenly over our heads or that a grave danger of annihilation threatens us. We have reached the brink of the awful precipice at the bottom of which everyone sees the worst horrors, and confusion is beginning to prevail.

Some accuse the government of not doing enough; others urge it do this rather than that, while still others are already asking for conscription, that law which almost brought about disunion in this country and which resulted in a twenty-year condemnation of the political party responsible for its enactment. Some there are also who would have the ship of state placed in charge of a different skipper.

The inference to be drawn from that state of affairs is that a new wave of imperialism is rising and is about to carry the government with it.

It is true that so far only the voice of the English-speaking provinces has been heard, the voice of Quebec having remained silent. At this moment when our future and our national unity are at stake, the greatest service we could render our country would be to find out the true opinion of Quebec regarding our participation in the war. The question of participation is not at issue; participation is a fact.

While condemning the government's foreign policy, we admit that the higher principles such as civilization and christianity, which are at present at grips with the forces of hell, have to be defended. And if we differ from the government, it is solely as to the extent, the method and the effectivness of our participation. The hon. members who have spoken on the subject these last few days have been admirable in their loyalty to the mother country. While believing that Canada's interest lies in the success of the effort we are now putting forth, that is to say the victory of our armies and the preservation of our institutions and of civilization at large, we feel that what matters most is that Canada should be saved.

That is why we should guard against the dangers that are threatening us, and they are numerous. Tuesday evening, the hon. member for Greenwood (Mr. Massey) referred to fifth column activities in Canada. There is still another danger—that of conscription. It does exist and threatens us since a still greater participation is being organized and the government is telling us, through the hon. the Minister of Finance (Mr. Ralston) and the hon. the Minister of National Defence (Mr. Rogers), that "our capacity should be the

limit of our participation." Hence the danger of conscription against which I am now raising my voice.

The French-Canadians have the utmost respect for the British crown. We are just as devoted to England as our English speaking fellow-citizens are. We have proved it in the past when, a short time after the conquest, we rallied to the side of England against Montgomery who was helped by France, our former mother-country. In 1812, we gave another proof of our loyalty. Our whole history shows that we have remained loyal subjects of England, while preserving our affection for France.

But, we are more truly Canadians because we want to make Canada our country, the country that we have defended against the dangers that have threatened it.

In order to still better understand the real feelings of Quebec, and the reasons for its anti-imperialistic views, one must go back to 1914. The Liberal party to-day is placed in circumstances similar to those in which the Conservative party found itself when it engaged Canada in the first great war. But it is the same Liberal party who, since 1914, in the province of Quebec, continually condemned extreme participation in wars and roused the people against conscription, to the point that in 1918 there was rioting, and almost a revolution. We all remember that.

In 1919, when peace was signed, if it may be called peace, our newspapers, our public speakers criticized the Versailles treaty, on the grounds that this treaty had placed Germany in a geographical situation which would oblige her to break away her bonds some day. Since then they have criticized the Locarno conferences and others, and all those concessions we made to Germany whereby she was spared the obligation of paying what she had agreed to reimburse. The same newspapers and the same speakers have constantly criticized the European policy of lending enormous sums to Germany, a country which claimed poverty but eventually spent a good deal more than what it had promised to pay. Our papers and public speakers have also unceasingly criticized our allies, England and France, at the time when they made treaties with Germany for the exchange of material likely to help her rearm. Up to this day, they have censured such stupidity and insaneness which made it possible for Germany to rearm. Democracies were content, but that poor country was building up her armaments and thus became the power now threatening the whole world. We have organized war rather than peace. It would seem that war has been prepared through occult influences. As you well know, that is how debts pile up and there can be no debtors without creditors.

There must be some reason to explain this disastrous lack of forethought. Why did the wealthiest countries lend their money to Germany and enable her to rearm?

There is no reason for unemployment to exist here to the same extent as it does in England and on the continent. Ours is a young country whereas these other nations no longer possess sufficient natural resources. They do not enjoy our possibilities of development. There is no justification for the existence here of the same problems and difficulties, and yet we are torn by the very dissensions that have upset the whole of Europe. We see the same advanced ideas penetrating into this country.

Therein lies another danger which the government should seek to allay. At all events, these advanced ideas continue to penetrate more and more deeply. Yet no one seems to realize this. There are already in this house certain members whose opinions on monetary questions differ from ours, thus leading one of them to say that war was merely a premium to the vicissitudes of the system.

Unless we show sufficient foresight, there may well occur in Canada certain changes that will bring about, before this war is won, the destruction of the order we seek to preserve. It is time, Mr. Speaker, that we should try to avoid the mistakes committed in the past.

Mr. Speaker, let us try to avoid the errors committed in the past, to ensure our protection at home in the first place, to study the best means, as I have said, of participating without jeopardizing our national unity and without allowing subversive ideas to go further and to overthrow the present order which we hold dear and which we wish to defend and protect. But everyone will admit that the things I have just said are true. Quebec is profoundly anti-imperialist. We are in favour of a moderate participation. It is so true that Quebec is profoundly anti-imperialist that it would be dangerous to disregard its feelings. The Liberal party, whose leaders, members and defenders are good psychologists, have taken advantage of this point of view; they have made capital of this question of imperialism. They condemned their opponents by accusing them of imperialism and pretending that they themselves were not imperialists and saying that they should be anti-participationists. Not very long ago, just two or three sessions back,

the Minister of Justice (Mr. Lapointe) stated that he was opposed to all participation in extraterritorial wars.

Some hon. MEMBERS: That is untrue.

Mr. ROY: If he asked parliament to vote millions, it was solely for the defence of Canada in Canada. During a by-election held in Lotbinière, he himself stated the same thing. In Quebec last fall, while participating in the provincial election campaign, the right hon. Minister of Justice declared himself opposed to conscription as well as to the sending of an expeditionary force overseas. All this was merely for the purpose of obtaining votes, of capitalizing on the anti-imperialist feeling he has fostered in that province, not a very difficult task since our soul, as I said a moment ago, is essentially Canadian and desires nothing else than to contribute to the progress of this country. A great deal of political capital was made out of this last March.

No one should mistake the real meaning of the vote given last March 26. During that campaign, every Liberal candidate stood against imperialism. The Liberal party's campaign rested on the issue of limited participation in the war. The government itself made the very same declarations and undertook the same commitments. They warned the people of Quebec against the Conservatives, claiming that a national government meant conscription. The right hon. Prime Minister himself stated over the air that the national government advocated by Dr. Manion was synonymous with conscription. Here again did they capitalize upon anti-imperialist and anti-conscriptionist feeling.

It would appear much easier to be absolutely opposed to participation as well as anti-imperialist and anti-conscriptionist when one is in the opposition in peace time than when one is in power and at war.

Where are to-day these men who claim to represent in this house the point of view and ideas of the province of Quebec? What have they to say these opponents of imperialism? What is their reaction while everyone here loudly demands conscription?

They stand behind the rampart—about which such a great deal was said in Quebec during the recent campaign—holding their breath in order not to be discovered.

Some hon. MEMBERS: Ridiculous!

Mr. ROY: If these courageous gentlemen, wish to speak, they enjoy as well as I the privilege of doing so. I shall go even further and say it is their duty, and that their province expects them to do so.

Let them rise and fight in this critical hour for the principles they have defended during the last twenty-five years.

Mr. HUGUES LAPOINTE (Translation): May I request the hon. member to stick to the facts. The present issue has nothing whatever to do with conscription.

Mr. DEPUTY SPEAKER (Translation): I would like to point out to the hon. member that the motion at present before the house is a motion to the effect that the Speaker leave his chair in order that the matter of an appropriation of $700,000,000 toward Canada's war effort may be discussed. As the hon. member for Lotbinière (Mr. Hugues Lapointe) has just remarked, the matter of conscription is not before the house. I feel that I must draw the hon. member's attention to the fact that he should, as far as possible, confine his remarks to the subject which is now being discussed in the house.

Mr. ROY (Translation): Mr. Speaker, I beg to apologize if I have unwittingly broken the rules, for this is my maiden speech in this house. My object is to offset what has been said by imperialistic hon. members of this house in favour of a greater participation, for we all admit that the situation is quite serious, and I wish to state why our province is opposed to imperialism. It is because we have been led to adopt that attitude. I may be told that there is no sense in declaring a moderate war against Germany, but, as a matter of fact, that is what was promised to us.

To-day, we must guard against a fifth column that might cause us as much harm as Denmark, Czechoslovakia, Belgium and Holland have had to suffer. Consequently, before spending too much money in an external war, it behooves us to analyse carefully the needs of our country and the dangers with which we are confronted. I believe in the possibility of steering a middle course and reaching an agreement upon the participation that would be most effective. Since September, the situation of European countries has changed considerably. The French and British empires have lost allied territories, so that they are now deprived of important sources of supply. England and France may be bombed, ravaged, but not beaten—God forbid that they should be—they may be ravaged to such an extent that their productive capacity will be greatly impaired. They are not lacking in men; what they need is food, arms and munitions. Well, if England and France have lost considerable sources of supplies in Europe through German conquests, it would be highly important to devote our efforts to the organization of our natural

resources with a view to filling their needs. It would therefore be urgent to have our workers produce as much as possible in order to supply the armies with what they may eventually lack. It is in that direction that we should turn our efforts and not in the direction of supplying men. It is by mobilizing all our wealth for the benefit of our allies that we will contribute to the defeat of the enemy.

Any measure involving compulsory enlistment would constitute a menace to Canadian unity. Everybody is agreed on that. Let us ward off such danger and we will avoid graver disorders perhaps than those that took place in 1918.

Next Sunday will be consecrated to asking God to bless our armies and to protect our country and our institutions. I think that on that day every hon. member of this house should particularly pray God to grant us the wisdom necessary to triumph without jeopardizing the future of our country, in order that she may come out of her conflict stronger than ever, that we may understand one another better and that our hearts may beat in unison for our homeland which is Canada.

Mr. A. R. ADAMSON (York West): Mr. Speaker, it is with great misgivings that I rise in the house for the first time, not only because of my very obvious shortcomings, but because I feel that this is an hour the seriousness of which requires action, not words. It is only because what I have to say to-night will in my view be of some assistance to the government in its very heavy task that I rise in my place and take up the time of this honourable house.

During the course of the debate on the motion it was apparent to me that each member of the government who spoke took great care to stress the fact that the government was not conducting a limited liability war. They took very great care to leave that impression, and each one of them used the word "complacency". The government "doth protest too much, methinks".

Mr. Speaker, it is not my intention to reopen the old sores of the campaign or to expect an explanation of many of the statements which were made at that time but which to this date have not been satisfactorily explained. However, since I have been sitting in the house, two points have been raised by my leader, the leader of the opposition (Mr. Hanson), which have not yet been satisfactorily answered by the government. I refer first to the suggestion made by my leader that some drastic alterations of plans were made on those three crucial days, September 3, 4 and 5. Hon. members must realize that we had and still have a very capable general staff, and I think it will be agreed that it was inconceivable that the general staff did not have some plan, some mobilization order or some scheme prepared, the orders and blue prints of which were in operation or in existence, to be used in the event of hostilities breaking out.

As I am informed, this plan called for the immediate concentration of four divisions: one at Camp Borden, one at Valcartier, one at Sarcee, one elsewhere, and a very considerable concentration of artillery and ancillary troops at Petawawa. On September 3 the royal engineers in Toronto immediately began the purchase of large amounts of equipment, lumber and other supplies for huts and other buildings to be erected at Camp Borden. Work was carried on through the night of September 3, a Sunday, and again on the following Monday. On the Monday afternoon, that day being Labour day, a drastic change was ordered by Ottawa. Hundreds of thousands of dollars worth of equipment had been ordered and sent to its destination, but nothing more was done. That equipment lay at Camp Borden for several months. The 300 carpenters who had been hired went up to Camp Borden, but were discharged shortly afterwards. The Prime Minister (Mr. Mackenzie King) will have to show why that plan was altered. Otherwise, the militia department must have been working under an entirely erroneous conception for those three days. I happen to have seen the material so I know of what I speak.

The present leader of the opposition brought up the matter of faulty gas masks and his statement was absolutely and categorically denied by the Minister of National Defence (Mr. Rogers). As a member of this house I naturally took his word to be true, but quite by accident I happened to meet a friend of mine who had soldiered with me. In the course of a casual conversation he asked me if I had heard about the 90,000 gas masks which had to be got rid of, and I said, "No." He told me that they had had to be sent back to the manufacturer because they were not suitable for the new type of gas which had been perfected. I questioned him further about this because he had no possible opportunity of seeing *Hansard*. I contend that his is a statement which will require an answer from the Minister of National Defence.

I have some knowledge of chemical warfare and I understand that this new gas is one of the hydrocarbons, similar to carbon monoxide

As hon. members who have worn gas masks will know, the hydrocarbons are not filterable by an ordinary respirator. Carbon monoxide has not been used because it dissipates rapidly into the air, but apparently this new gas has been perfected. This is a matter of grave importance, and I think the Minister of National Defence should tell us whether the situation has been satisfactorily cleared up. Perhaps hon. members will be interested to know something of the pathology of these two types of gases. I should like to quote Doctor Axel Höser, the famous Swedish expert on Experimental Pathology:

> Certain poison gases specifically attack the terminal organs—

That is the nerve ganglia. He continues:

> The action of phosgene on the finest ramifications of the pneumo-gastric nerves which surround the alveoli is somewhat different. The patient himself is not aware of it. By the action of the gas on the nerve extremities the walls of the alveoli, which separate the capillary vessels from the air cells, become porous and the blood serum begins to filter into the alveoli, till air can no longer penetrate to provide the red corpuscles with their oxygen.

And further:

> Asphyxiating gases cause loss of oxygen by preventing the entry of air into the blood. Other gases produce the same effect differently; carbon monoxide, for instance, attacks the red corpuscles and combines with haemoglobin so as to prevent its ordinary function of absorbing oxygen and carrying it into all the organs. The patient then succumbs to internal asphyxia, the lungs remaining full of oxygen but the blood being badly provided with it. Carbon monoxide, however, owing to its low density, is only employed in special circumstances as a war gas.

As I understand it, the improvement in this hydrocarbon gas is such that new respirator filters must be employed. I should like the Minister of National Defence to clear this matter up.

Mr. CRUICKSHANK: Mr. Speaker, I am a new member here and I do not know if I may ask the hon. member a question. I may be out of order, but I should like to ask him if the Minister of National Defence (Mr. Rogers) is supposed to know what gas will be used to-morrow?

Mr. ADAMSON: Yes, that is his job.

Mr. CRUICKSHANK: To-morrow?

Mr. ADAMSON: He categorically denied that this had happened. I merely bring this up to outline the situation, and I am sure the Minister of National Defence will be able to clarify it. The matter is so serious that I thought it was worth while bringing it to the attention of this house.

[Mr. Adamson.]

We are facing an extremely grave situation. We are up against an entirely new type of warfare. None of us in this house has experienced this particular type of warfare before.

It is my opinion that we should take immediate steps to organize the country on the best basis for overseas service and home defence. We are not sure from where or how the next blow will fall. I suggest that in view of the terrible peril in which we are to-day, the recruiting of a third division is completely inadequate.

I suggest that the government take stock of the entire Canadian picture and try to produce those troops for which we in Canada have a peculiar genius. My riding is one of the largest railway ridings in Canada and railroad men come to me and ask why a railway corps cannot be organized. They talk about the wonderful work of Canadian railway troops at the battle of Vimy ridge. This was perhaps the best example up to that time or since of the splendid coordination of all arms of the service—air, railway, transport, infantry and artillery. It was the first occasion on which all arms of the service operated together and started moving at a certain zero hour. I think the organization of a railway troops corps should be proceeded with immediately.

There is another matter. We in Canada are peculiarly blessed in having a great number of highly trained hard-rock miners. In South Africa all the mining is done by natives, but we have skilled miners and tunnelers who are familiar with all types of rock and earth conditions. That presents a unique opportunity; for not only are our miners accustomed to working under different conditions as between one camp and another, but conditions often vary substantially from one end of a camp to the other. I suggest that the government utilize the services of these highly skilled men. Here we have an industry that has built and perfected a great number of new tools to suit conditions in Canada. Certainly we do not know what type of warfare we may have to meet in the coming months or the coming years; but we do know that a great part of Europe is mountainous and rocky, and a corps of expert miners, trained in the use of power tools and hard-rock equipment, would be a tremendous asset if we were called upon to fight in Italy or in some of the Balkan states. I make that suggestion to the government in all sincerity.

Another suggestion I have to make is with regard to mountaineer troops. At the outbreak of war the Canadian Amateur Ski Association sent word to all ski clubs and to all its branches and posts and received an

absolutely unanimous 100 per cent reply from young men trained as skiers, many of them trained in the art of mountaineering. They offered themselves unreservedly to serve their country in time of peril. After recent events I do not have to tell members of this house what a tremendous advantage a trained corps of mountaineer troops would be to Canada. If invasion should unfortunately come to our shores, we have mountains and we have snow, and we will need such troops. I suggest, therefore, that the government take steps to train a corps of mountaineer troops in the shortest possible time.

I come now to the tanks. Here again we have in Canada a great number of loggers, men used to driving heavy trucks and heavy transports, men used to driving mining and logging trains in our great north country. They are almost trained now as tank drivers. They are used to picking their way across country; they understand heavy machinery and how to work it. One of the most serious criticisms that can be levelled against the present administration in view of recent events in the low countries is that we have not a great tank corps here in Canada. That is something we could have built up. It would perhaps take time to build aeroplane engines, but we have steel mills and the great automobile industry, which has built caterpillar tractors. We have men who have operated them and who could do so again. I wish some member of the government could rise in his place and tell me, "We have a thousand tanks. We have begun to establish a great tank corps." Nothing would give me greater pleasure than to hear the government say that we have tanks at the present time and that we are operating them. But in Oshawa to-day a tank battalion is being trained, and it uses a piece of rope carried between two men to represent a tank. That is almost as severe an indictment against the government as anything I know.

To make matters worse, in Toronto we organized a charity to help train tank troops. It was called the armoured troops fund. It was a public charity, not for the purpose of providing socks or comforts for the troops training at Camp Borden, but to provide equipment for tank units, research and development of actual vehicles of war. I quote from the prospectus of the fund:

> For further research and development of apparatus utilizing "electric eye" for use with miniature range enabling indoor gunnery training of superior value to be given at low cost with high degree of safety.
>
> For further development of a "light-projector" gun for gunnery training in tanks or vehicles across country. This apparatus enables observation of fire under field conditions without the use of ammunition.
>
> For research and development of a simple and sturdy two-way radio telephone set. At present only two expensive British standard sets are available. A technician has already been sent to Camp Borden to assist in the design and when plans and specifications and a model set are prepared the defence department will be asked to furnish them.
>
> For research and development of a basic training vehicle, a vehicle having the general characteristics of the tank on which training may be given in driving, maintenance, gunnery and practice without wearing out the standard tank equipment, to be constructed using commercial truck chassis and standard parts as far as possible.

There was a considerable amount of other equipment. The ironical thing about it all is that at the bottom of the circular appears this statement underlined:

> Donations to the fund will be exempt from income tax up to fifty per cent of the net taxable income.

Hon. members will be lucky if we have any income to be taxed on unless we do better than we are doing at the present time.

Mr. ROGERS: Would the hon. member permit me to ask a question?

Mr. ADAMSON: Certainly.

Mr. ROGERS: I understand that during my absence my hon. friend made some reference to a considerable number of gas masks which had had to be discarded. I am very sorry that I was not in my seat. He will understand that it was not possible, because I was engaged on other important business; but if he would not mind repeating his statement, I should be very glad to deal with it now.

Mr. ADAMSON: The statement I made was this, that in reply to the leader of the opposition, who stated that some 90,000 gas masks had had to be discarded, the hon. minister made a categorical denial that this was done. I happened to have met one of the troops at the gas training school who served with me. Obviously he had not seen *Hansard*. His statement, "Did you hear about the 90,000 gas masks which had to be sent back to the manufacturer?" rather startled me, in view of the categorical denial given by the minister to the statement of the leader of the opposition. I questioned him further, and he said that a new type of gas has been perfected and is now in use. Apparently it is one of the new hydrocarbon compounds such as carbon monoxide. I happen to know that carbon monoxide will penetrate the old-fashioned gas mask, and I was interested enough in the matter to bring it up for the purpose of obtaining a statement from the

minister, because I myself was through the gas school last summer and received gas instruction at camp Niagara, so I happen to know that these hydrocarbons are a filterable gas, they cannot be stopped by the filter which is in use.

Mr. ROGERS: If my hon. friend will permit me; I know he wishes to be fair, and I wish to be equally fair with him. The statement as made by the leader of the opposition was one which I felt ought to be dealt with at the time. The leader of the opposition stated that a very large number of these gas masks had had to be discarded. I said that that statement was incorrect. I afterwards confirmed my statement by discussion with the master general of the ordnance, who, as my hon. friend is aware, is responsible for the manufacture of gas masks. I am sure my hon. friend will understand that it is not always possible to give complete information in a matter of that kind at this time. But I was perfectly correct in stating, as I did at the time, that the statement made by the leader of the opposition was not accurate.

The truth of the matter is that certain of the components of the container of the gas mask had to be changed in accordance with a change in actual conditions. As my hon. friend is well aware, that has been done and the gas masks have not had to be discarded. Originally the gas masks were made to war office specifications, and the change was made just as soon as possible.

I may say that I have a report in connection with the entire matter from the master general of the ordnance, which report I shall be pleased to place before the leader of the opposition to-morrow at his convenience. I felt that it was in the interests of the house that I should deal at once with the matter which has been raised here to-night.

Mr. HANSON (York-Sunbury): The only difficulty is that my statement was too sweeping. There was in fact some basis for the inference in view of the change that has been necessary to meet the present situation.

Mr. ROGERS: I shall be very glad indeed to place the whole situation before my hon. friend.

Mr. HANSON (York-Sunbury): I think it would have been better if my hon. friend had given me the information yesterday if he had it. Perhaps he did not have it.

Mr. ROGERS: I had not the entire information before me, but I had enough to warrant my saying that the statement was not correct.

[Mr. Adamson.]

Mr. HANSON (York-Sunbury): The hon. minister is pretty sweeping in his denials.

Mr. ROGERS: The statement made is not correct.

Mr. ADAMSON: I am delighted to get the true story, and I shall be interested in knowing what has happened in connection with this matter. The house, I think, is in a better position now that the situation has been cleared up and it knows the facts. I hope that as the session goes on, any inquiries of or any differences we have with the Minister of National Defence will be dealt with as quickly and as suitably as this one has been.

In conclusion, I merely want to say this, that I am in deadly earnest. We have no time to waste. This is a matter of hours. The government should be prepared to take emergency measures instantly, not to wait; because if we fail, if the lights are put out on this parliament hill, the next time a parliament is here assembled, the government will have a majority of about 99·8 per cent; there will be but one speech, and before that speech is given, hon. members, all being in uniform, will raise their right hands in salute, and shout two words which God forbid should ever be uttered in this chamber.

On motion of Mr. Kuhl the debate was adjourned.

VETERANS HOME GUARDS

VOLUNTEER FORCE FOR PROTECTION OF MILITARY PROPERTY AND OTHER NECESSARY PURPOSES

Hon. NORMAN McL. ROGERS (Minister of National Defence): I wish to advise the house that it has been decided to establish immediately a force to be known as the "Veterans Home Guards", for the more adequate protection of military property or for any other purpose that may be found necessary in Canada. The force at the outset shall consist of twelve companies, to be expanded if circumstances so require, distributed across Canada and under the military district in which they are located. Each company shall be in command of an officer of the rank of major, and shall consist of 250 all ranks.

The district officer commanding shall in each case be responsible for the organization of any of such companies within his district. He will deal with all applications and shall have full control over the operations of such companies within the geographical limits of his military district.

The members of the said force shall be recruited from persons who served in the armed forces of Canada or the United King-

dom in the war of 1914-1918, and shall include persons in categories "A", "B" and "C" up to the age of fifty years. They shall receive pay and allowances according to the rates at present in force for the Canadian active service force.

Mr. HANSON (York-Sunbury): I congratulate the minister upon yielding to public opinion; and may I ask him if the officers will be selected by the district officer commanding in each district, or will they be appointed by the department here?

Mr. ROGERS: The intention is that the district officers commanding shall have the responsibility of organizing these various units. It is understood that they will select the officers from the reserve of officers, and in every instance they shall see that the officers so chosen have had active service in the last war.

Mr. GREEN: Does that mean that there will be a total of only 3,000 in all Canada?

Mr. ROGERS: I have gone into the matter most carefully with the officers of the Department of National Defence, and it is the belief that at the outset this will provide a sufficient body for the purpose indicated. It is already stated in the announcement I have made that it will be expanded as circumstances require.

Mr. COCKERAM: How is it proposed to arm them?

Mr. ROGERS: This will be a military force in every sense of the word, and it will be uniformed and armed as a military force.

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

Friday, May 24, 1940

The house met at three o'clock.

DOMINION ELECTIONS

MEMBERS OF COMMUNIST AND NAZI PARTIES INELIGIBLE AS CANDIDATES

Mr. WILFRID LaCROIX (Quebec-Montmorency) moved for leave to introduce Bill No. 16, to amend The Dominion Elections Act, 1938.

He said: The German reich being at war with Canada, and Russia having allied herself with the German reich, it is fit and proper that the communists and nazis, representing the ideologies of Russia and Germany, should not be allowed to spread throughout Canada the doctrines of these revolutionary or totalitarian states, and should not be allowed to run as candidates at elections.

It is quite true that in a recent judgment of the Supreme Court of Ontario Mr. Justice Chevrier has declared that under the War Measures Act and regulations made thereunder the communist party in Canada is an illegal association. The regulations made under the War Measures Act are, however, of temporary character, and it seems preferable under the circumstances that an act of parliament should declare for all time that the communist party and the nazi party have no place in a democratic country like Canada, whether Canada be at war or at peace. Norway, Holland, Belgium, and many other countries have learned by bitter experience that the activities of the fifth column are just as dangerous and fatal in peace time as during the war.

Motion agreed to and bill read the first time.

CRIMINAL CODE

COMMUNIST AND NAZI PARTIES DECLARED TO BE UNLAWFUL ASSOCIATIONS

Mr. WILFRID LaCROIX (Quebec-Montmorency) moved for leave to introduce Bill No. 17, to amend the criminal code.

He said: Mr. Speaker, the same general explanation would apply to this measure as to the former.

Motion agreed to and bill read the first time.

ROYAL CANADIAN AIR FORCE

REPORTED FLIGHT TO MEXICO AND SOUTH AMERICA OF CANADIAN-BUILT DIVE BOMBER

On the orders of the day:

Mr. J. H. HARRIS (Danforth): Mr. Speaker, before the orders of the day are called I should like to bring to the attention of the house a news item appearing on page 4 of the Toronto *Evening Telegram* of May 23. My inquiry is directed to the Minister of National Defence for Air (Mr. Power), to whom I have already sent a memorandum respecting the news item. It is dated at Montreal, May 23 and is as follows:

> Canada's new fighting plane can dive 572 miles per hour. The Gregor FDB-1 dive bomber, newest Canadian-built fighting plane, was flown into Montreal yesterday on its way to Mexico and South America for demonstration purposes.

I shall not trouble the house with the rest of the item, but would proceed to ask this question. Are Canadian-built fighter aeroplanes being sent to Mexico and South America for demonstration purposes? If so, how many have been sent, and when will they return to Canada?

Hon. C. G. POWER (Minister of National Defence for Air): Mr. Speaker, with respect

to certain Canadian made fighter aeroplanes which it is alleged are being sent to Mexico and South America for demonstration purposes, I received notice of this question a few moments ago and was able to obtain somewhat sketchy information from the technical officers of the department. I understand that only one Gregor FDB aeroplane has been made in Canada up to the present time. This machine was produced some time in 1938. In May, 1939, the officers of the air force tested the aeroplane and found that it was not suitable for their purposes. I am not quite familiar with all the technical details, but I understand that this machine is a biplane and at the moment the latest developments are in connection with the monoplane type of aeroplane.

Only to-day the Department of National Revenue asked the Department of National Defence whether it was prepared to release this aeroplane to South America. Instructions were given to have the application made in writing so that it could be considered. My view is that in this crisis the engine at least would be valuable to us whether or not the rest of the machine is, and it is entirely unlikely that permission will be given for this aeroplane to leave the country.

NATIONAL DEFENCE

INQUIRY AS TO DISPATCH OF AEROPLANES TO GREAT BRITAIN

On the orders of the day:

Mr. J. H. HARRIS (Danforth): Coupled with the question I have just asked is another which perhaps the Prime Minister (Mr. Mackenzie King) will feel disposed to answer. I sent a memorandum to the minister of defence for air (Mr. Power), but I see that he and the Prime Minister have been together on it and perhaps one answer will do for the two questions. Are Canadian fighter planes being sent to Great Britain in accordance with the report from London to the effect that Viscount Caldecote, dominions secretary, had sent a message to the dominion government pointing out the importance of supplies and aeroplanes?

Hon. C. G. POWER (Minister of National Defence for Air): With respect to the question dealing with the appeal broadcast by Viscount Caldecote, I take it that my hon. friend is referring to a press release pointing out the importance of supplies and aeroplanes. I understand that no message of this kind has yet reached the Department of External Affairs or any other department of this government. However, I will say what is perhaps already known to the house through the statement made yesterday by the Prime Minister, that some ten days ago the government of Canada offered to place at the disposal of the government of Great Britain all the equipment in the way of aeroplanes which it might require and which were available from Canada. The government of Great Britain is fully aware of the supplies and equipment which we have here and some days ago it requested a certain number of various types of aeroplanes, the particulars of which I do not think I should give to the house. This was received on Tuesday last, and on Tuesday evening a reply was sent to the effect that these aeroplanes would be available and would be sent forward at once.

[Mr. Power.]

STATEMENT AS TO ORGANIZATION OF THIRD CANADIAN DIVISION

On the orders of the day:

Hon. NORMAN McL. ROGERS (Minister of National Defence): Mr. Speaker, before the orders of the day are called I should like to make a brief statement regarding the organization of the third Canadian division. I have to-day received details of the organization of the third division, Canadian active service force, and immediate steps are being taken to proceed with this organization in the various military districts. The composition of the division has received the fullest consideration. Selection of the units for every arm of the service in the division is being made after carefully weighing the various factors involved. As is the case with the first and second divisions and ancillary troops which have been previously mobilized, every endeavour has been made to ensure that all parts of Canada are represented in accordance with population, and bearing in mind the forces each province or area has already mobilized.

As in the case of staff and commanding officers of the units of the Canadian active service force already serving, in which fifty-six per cent have had previous overseas service, the same consideration will be given to officers with former service in the Canadian expeditionary force when selections are being made for the third division. Some of our mobilized units which, as a result of changes in war organization, have become surplus will be included in the composition of the third division. Owing to adjustments arising from the decision to form the third division immediately, it will be necessary to postpone the training in camp of units not mobilized in the third division until later in the summer.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, May 23, consideration of the motion of Mr. Ralston that the house go into committee to consider the following resolution:

That sums not exceeding $700,000,000 be granted to His Majesty towards defraying any expenses that may be incurred by or under the authority of the governor in council during the year ending 31st March, 1941, for—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measures deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

With provision also empowering the governor in council to raise by way of loan under the provision of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money, not exceeding in the whole the sum of $700,000,000 as may be required for the purpose of defraying the aforesaid expenses, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

Mr. W. F. KUHL (Jasper-Edson): Mr. Speaker, I am quite well aware that because of the gravity of the hour the government wishes to proceed with all haste with the measure now under consideration; consequently in whatever remarks I have to make I shall endeavour to be as brief as possible and to avoid repetition. I shall try to say something in connection with this resolution which has not yet been said. While many aspects of Canada's war effort have been discussed, it is amazing to realize that what in my opinion is the most important aspect of this resolution has been touched upon only slightly, and in the short time I shall devote to discussion of the resolution it is to this aspect that I shall particularly refer.

It is a foregone conclusion that all hon. members are agreed that Canada must make the most effective contribution she can in order to preserve the democracy of our empire. If Canada is to make her most effective contribution I believe it will require the combination of the best ideas that can be put forth by all the parties in this house. I do not think any party has a monopoly on the best ideas for the prosecution of this war and the preservation of democracy. While we in this corner are a minority group we do represent a substantial part of the electorate who have definite ideas as to the methods by which Canada can make her most effective contribution to the struggle in which we are engaged at the present time.

The circumstances in which the people of Canada find themselves to-day are indeed grave, but so far all the causes for the gravity of the situation have not been advanced in this debate. We are faced with an external enemy and we must exert all the power we have to defeat that enemy. But in my opinion the problem that we face is doubly difficult because I am quite convinced that the people of Canada are fighting on two fronts and are facing two enemies. We, the common people, are engaged not only in an armed conflict with an external enemy but also in a conflict with an internal enemy. We find ourselves in the same position as that in which that great champion of democracy and freedom, a president of the republic to the south of us, at one time found himself. I refer to Abraham Lincoln, who, when engaged in the civil war, made this statement with regard to the enemies with which he was faced:

I have two great enemies, the southern army in the front of me and the financial institutions in the rear. Of the two the one in the rear is my greatest foe.

That is the enemy, the financial institutions, with which I believe the common people of this country are also in conflict, and it is an enemy which I think is being almost entirely ignored. My greatest fear in connection with the prosecution of Canada's war effort is that as a result of the methods we are going to use, particularly the method involved in this resolution, we shall permit to grow up in this country a dictatorship which no doubt will prove to be as menacing and as devastating to the national life of Canada as the one with which we are in armed conflict. I refer to the dictatorship of debt.

All who have observed the progress of debt in this country must admit that already we have well nigh succumbed to the ravages of this dictatorship in our national life. How much more will that be the case when possibly double or treble will be added to the almost overwhelming burden of debt we carry to-day! One of the most oft-repeated statements we have heard in the debate on this resolution is that we are fighting for democracy and all that it implies. That is very true. But we ought to be careful that in the process of doing so we do not undermine for ourselves and the generations who will come after us the very principles for which we are fighting. In my opinion, to approve the principle involved in this resolution is to deny one of

the most sacred and conspicuous prerogatives that democracy can possess, that of creating and issuing the medium of exchange.

The part of this resolution to which I wish particularly to refer is contained in the concluding paragraph:

> With provision also empowering the governor in council to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act—

The method by which this money is to be raised is the point I wish to discuss. In my opinion, and we have urged this from our corner of the house during the last four years, there is no legitimate and honest reason why a government should finance either its war or its peace efforts through debt. We often hear it said in conversation that it costs so much money to carry out peace-time enterprises or to carry on war-time activities such as those in which we are engaged to-day. I believe that our understanding of the real cost involved in carrying out peace-time enterprises and war-time activities has been obscured, and it must be simplified in order that the general public may grasp what is really involved. After all, the only cost involved in carrying on peace-time enterprises or in prosecuting war is human energy and physical materials. The cost of waging a war is in a real sense blood, sweat and tears. That is the real cost. Surely it is obvious to everyone that when the real costs of a war are met—that is blood, sweat and tears—the costs are paid by the people as a whole as the war is waged. Canada's part in the last war as well as in this war was paid and is being paid day by day as the war is carried on. There is no other real cost; that is the only real cost.

In peace-time the only cost of carrying on enterprises is the extent of human energy and physical materials consumed.

The question I have to ask in this regard is: If we provide all the real costs; if the people of Canada, including the soldiers abroad and all others who participate in the war, provide all the real costs as the war progresses, why must we be told after the war is over that we are still in debt? Is there any other cost in a real sense besides the blood and sweat and tears?

What is wrong is that our financial policy is not such that it reflects facts. Our monetary policy should be such that it reflects, rather than conceals, physical facts. Our monetary policy should be such that when the nation as a whole has expended energy and consumed materials, the national accounting system, our money system, should indicate that the bills are all paid. We are still obliged to pay financially for the last great war. Yet in a real sense that war was fully paid for when the last shot was fired and the last soldier yielded his life. This war in a real sense is being paid for day by day in the expenditure of energy and the consumption of materials, in broken hearts and agony of soul. We in this corner have urged in season and out of season that the government should adopt a financial policy which will reflect facts. Notwithstanding the fact, to judge from what was said in 1935 by the Prime Minister (Mr. Mackenzie King) and those associated with him, that there was an undertaking that Canada's monetary policy would so be altered that it would reflect facts. It has not yet been done. If the crown's prerogative, the most sacred and conspicuous it can enjoy, had been restored to parliament in 1935 we would not find ourselves in the embarrassing situation we are in to-day. I do not suggest that we would be any better prepared in the way of providing the materials which are needed to prosecute the war, but industrially our nation would be ready to turn without much trouble to the production of the necessities of war.

The question of creating and issuing and controlling the medium of exchange is most important in relation to our war effort. As we are now carrying on, we limit the physical and economic activities of our nation to the amount of money which is made available by those who control the issue and the policy of money. The reverse should be the case. In my opinion we ought to restore to parliament, even at this late stage, its most important prerogative, and the government should exercise it in such a way that whatever is physically possible becomes financially possible. I should like to quote a couple of passages from Abraham Lincoln with regard to the importance of the state's prerogative of creating and issuing the medium of exchange. Lincoln, one of the world's greatest champions of freedom, had this to say on the subject of money:

> Money is the creature of law, and the creation of the original issue of money should be maintained as an exclusive monopoly of the national government. Such needs can be served by issuing national currency and credit through the operation of a national banking system.
>
> The government should create, issue and circulate all the currency and credit needed to satisfy the spending power of the government and the buying power of consumers. The privilege of creating and issuing money is not only the supreme prerogative of the government but it is the government's greatest creative opportunity. The people can and will be furnished with a currency as safe as their own government. Money will cease to be the master, and will become the servant of humanity. Democracy will rise superior to the money power.

These words are true words; and I would urge that, even though the hour be late, it is imperative, if we are to make the maximum and most effective contribution to Canada's war effort, we restore to parliament this prerogative and see that it is exercised in the proper way.

Our money system to-day is nothing more than a bookkeeping system. It should reflect facts. All that would be required to change the policy would be to change the bookkeeping methods, and that surely would not require any more than a matter of hours and days. When we consider the production of aeroplanes or any other of the engines and materials of war which we require, we have very difficult technical problems to face, as the Minister of Transport (Mr. Howe) indicated the other day when he stated that it would be impossible to produce aeroplane engines in less than eighteen months or two years. Enormous technical problems are involved in the production of this type of requirement for the war. But when it comes to our banking system, which is nothing more than an accounting system, nothing is involved but the principle of bookkeeping, and that, certainly, would not take very much time to alter.

If this is not done I fear that, because of the increased debt, a pretext will arise, if not in our time, then in the generation to come, for those who control money to abolish those very democratic institutions for which we are supposed to be fighting. We have in the case of Newfoundland an illustration of the consequence of carrying on the principle which is involved in this measure. Newfoundland enjoyed democratic government, but now it no longer has a parliament. Parliament was dismissed on the ground that the government was inefficient and incapable of handling its financial policy. What guarantee is there that Newfoundland's fate will not be ours if we continue to finance our undertakings, whether for war or for peace, in accordance with the principle involved in this resolution?

Again I say that so long as the materials and the man power are available within our country there is absolutely no reason, according to my conception of logic and common sense, why the government should go into debt either for war services or for peace-time enterprises.

In conclusion, on behalf of those who sent me here to represent their views and their wishes, I desire to protest the method involved in this resolution of financing war, or peace for that matter, as a denial, a negation and a repudiation of the very principles we are seeking to defend and preserve in the present armed conflict. I urge upon the government, even at this late hour, that they take steps to restore to parliament its most sacred prerogative, that Canadians of the present generation may more effectively do their duty without placing in jeopardy the welfare of generations to come.

Mr. L. PHILIPPE PICARD (Bellechasse) (Translation): Mr. Speaker, it is not without emotion, I must admit, that I rise in this house before the elected representatives of the nation on behalf of those who have accepted me as one of their own and have sent me here to represent them. The cordial reception given to me at this moment is such as almost to make me imagine that I am still in the county of Bellechasse.

During the contest which ended on March 26th last I frequently exhorted the electors of my constituency to go to the polls in large numbers. Many times did I tell them: "You should deem yourselves fortunate to live in a country where you have the right to vote and where you are still consulted. There are so many countries in the world where every vestige of liberty has disappeared and where the people would like to have, as you have, the right to choose the men who are to administer their affairs. Be proud to vote, be proud to express your opinion, you who are not obliged to salute with the extended arm or the clenched fist, but who still can, if you are not satisfied with your representatives, get rid of them at an election."

The thought which I expressed then, Mr. Speaker, is present in my mind still more vividly at this moment when I rise to address the house. How many legislative assemblies are there in the world to-day to which the leaders are obliged to render an account of their actions and from which they get their authority.

This thought alone should be sufficient to make us appreciate our institutions, but especially to make us realize the importance of proving by our actions that we understand the seriousness of the present moment and the necessity of acting in such a manner that our conduct may deserve the approval of history.

I will therefore refrain from lengthening this debate unduly by unnecessary words or considerations of minor interest. I should have liked to say, as the mover of the address, my good friend the hon. member for Lotbinière (Mr. Hugues Lapointe) has so well said, how grateful I am to the good people of Bellechasse for having chosen me to represent them in this house. I should have liked to describe to you the beauties of the fertile valleys and picturesque mountains of Bellechasse and to speak to you of the gal-

lant tillers of the soil of my constituency, from the shores of the St. Lawrence to the boundary of the state of Maine; but at this moment our minds are occupied with grave problems, the destiny of the world is at stake, the survival of our institutions is in the balance; I will therefore limit my remarks to a few considerations pertinent to the military appropriations which we are asked to vote at this time.

As a gesture of good-will, Mr. Speaker, and as a contribution to a better understanding between the two great races that settled, pioneered and built this country of ours, I will ask that you, sir, and the House generously excuse my faulty accent and wrong pronunciation—to say nothing of the rest—and I will proceed to make the few remarks I intend to contribute to the present debate in a language which is not mine or that of my ancestors but which is better understood by the majority of this assembly.

First of all, sir, allow me to congratulate you upon your election as Speaker of the House of Commons, an exalted position for which your talent, your training and your ability designated you to the choice of your fellow members and which you will, we are assured, fill with honour, dignity and competence. Allow me at the same moment to express to the right hon. the Prime Minister (Mr. Mackenzie King) the satisfaction which we all feel at the choice he has made of the men called to be Secretary of State (Mr. Casgrain) and Minister of Trade and Commerce (Mr. MacKinnon) and the particular pride we have in Quebec to see the confidence which he has placed in the member for Quebec South (Mr. Power) in calling him to fill the most important task of leading the ministry of National Defence for Air. The energy and the wonderful spirit of organization of the New Minister for Air, if he is given the free hand he should have at a moment like this, will undoubtedly be soon manifest in this important branch of war activities. Lest this last sentence be misconstrued or misunderstood, I hasten to say that this in no way means that I do not appreciate at its fullest value the splendid work of the Minister of National Defence (Mr. Rogers) and the most valuable leadership he has given his department.

As we are at the moment, Mr. Speaker, considering appropriations necessary for the pursuance of our war effort, it may not be inopportune to analyse some of the opinions expressed by the public about the present conflict. Its consequences at large we all too well appreciate; the world will emerge from it impoverished in men, in wealth, in means of culture. The best of the world's population, its youth, will have been partly sacrificed; the largest part of its accumulated wealth will have been squandered in building up means of destruction and in using such means to destroy immovable assets such as roads, railways, bridges and houses, factories and so on; the means of culture will have been reduced in number and most probably in quality, and a large number of people, having been reduced to poverty and misery, will be deprived of the leisure necessary to the advancement of culture and its spreading throughout humanity. All this we too fully realize; and we may even fear worse: world revolution and the collapse of the present economic system may ensue; and, should our enemies win the war, the most essential liberties which humanity has fought so hard to obtain in the last five or six centuries will be denied to a great part of the world.

As to the immediate responsibility for the conflict there is also no doubt. The wanton attack on Poland, which was the occasion of the start of the war, coming after the rape of Austria and Czechoslovakia, and followed more recently by the invasion of Norway and Denmark and the inhuman attacks on Belgium and the Netherlands, despite the assurances given a few months ago by the same man who later ordered the slaughter of the civilian populations of these countries, are gradual steps in a diabolic programme of ruthless world domination.

The form of idealism which has permeated the structure of Germany is not in itself a cause of this but facilitated it by effacing the rights of the individual and subordinating entirely the individual to the state, which has become a horrid machine dominated by a madman avid of conquest no matter at what cost. We are waging war upon human super-robots whose individual liberties exist no more, whose wills have been abandoned to the guiding hand of a maniac who has equipped them, through years of preparation, with the most advanced mechanized ways of destruction. That we know, and the unfortunate populations of Europe are experiencing it at the present time.

There are those, Mr. Speaker, who go beyond this. There are those who analyse the events of the last quarter century in so far as diplomatic relations between European nations are concerned and who feel that the events of to-day are the consequence of ill-advised policies of yesterday and that the world would not be faced with the horrible situation it is in at the moment if the sacred union which existed between Great Britain and France during the last world war, and which is so vivid and real at the present

time, had not been put into oblivion soon after the Versailles treaty. There are those who remember that at one time France through her chain of alliances with Poland, Czechoslovakia and the Little Entente controlled the situation on the continent while Great Britain mastered all the seas of the world. Had Britain at that time supported France and upheld its just recriminations when Germany repeatedly violated the Versailles treaty, Europe might not be in such a mess today. Those in the last year who criticized or even blamed the Chamberlain policy of appeasement do not seem to realize that the Chamberlain regime was the successor of the Baldwin and the MacDonald regimes which had failed to support France when there was still time to save Europe from German domination without having to risk the fate of the commonwealth and to sacrifice so many lives. History will tell, Mr. Speaker, if those who hold these views are justified; but whether they are or not, whether the present state of Europe is due to the failures of British diplomacy and statesmanship between 1920 and 1938 or not, we have now to face facts as they are. We have to live in the present and look to the future and decide how best we can foster the interests and the safety of the country in which we live.

Since this session has begun many words have been spoken in this house, many words have been printed in newspapers, about the necessity of helping the empire, or furthering and speeding our war effort to help save Britain. But strangely enough, only from the lips of the Prime Minister (Mr. Mackenzie King) and of his colleagues who took part in the debate did we hear words that seemed to show that those who uttered them took into account the welfare of Canada, the safeguarding and security of Canada, and the future of Canada. In this sort of hysteria which seems to have caught the minds of many people in this country it is comforting to see that those whom the people have elected to guide it have a special consideration for their country in this moment of crisis. For after all we must realize that our country is Canada, and that our first duty is to Canada. The fate of the commonwealth of British nations of which we are a member is of prime interest to us; the fate of Great Britain and France, from which countries have sprung the most numerous elements of our population, is of great concern to us. The previous Liberal government and the one which now leads the country have, with the approval of parliament, taken the necessary steps to supply to our allies all the help possible in the present circumstances. But above all we must be Canadians, and it is the fate and the future of our country that must be the main source of inspiration of our actions.

If we analyse some trends of public opinion prevailing at the present time we may note that there are people in Canada who consider that we are a north American country and that we must look to the future as a north American country, like the United States and Mexico. Geographically they are right; economically they are probably right. However, the distinct culture of the English and French elements of this country, and the deep attachment of the English-speaking population of this country to Britain, from which the great majority of them are removed by only one to three generations, have made of us more or less a branch of Europe in America. The reason for this may also be the lack of a truly national Canadian sentiment. The majority of French Canadians, we must admit, when speaking of Canada think of Quebec, their province, the land settled by their ancestors, which has become since 1759 their one and only country. English Canadians, or at least a majority of them, when speaking of Canada, think of the British empire, and do not dissociate in their minds the country they should consider as theirs from Great Britain and the other countries of the commonwealth. I believe, sir, that when the Canadian history of this period is written those who have in a moment like this put above all else the interests of the nation will be considered its true patriotic servants.

During the last political campaign I explained everywhere in my constituency the necessity for our participation in this conflict, in order to save the national unity and to preserve harmonious relations in the confederation; and everywhere this was fully understood. I now wish to state to this house that no matter what may happen in Europe in the next few weeks, if we want to preserve national unity and thereby render more effective our cooperation; if we want to preserve harmonious relations in the confederation, our effort should be adequate but it should remain voluntary.

This national unity, sir, is worth saving now that it is gaining more and more momentum. I might even express the hope that it shall extend and develop. The political battle that took place in Quebec last fall and the eloquent answer of the population of that province to the rallying appeal of the right hon. the Minister of Justice was a substantial contribution from Quebec. The result of the last federal election was another manifestation of the same kind. The Liberal party went to the people with the same policies throughout Canada, while our opponents were using some methods in certain parts of Canada

which they repudiated elsewhere. It is a known fact that so-called independent, nationalist or separatist candidates in Quebec were supported by the National Government party, which was the temporary name of the Conservative party during the last campaign; and in most constituencies where there was such a candidate the Conservatives withdrew their official candidates before polling day and switched their support to the independent, the nationalist or the separatist. The result of this can be seen in the speech made by the hon. member for Gaspé (Mr. Roy) last night—the discrepancies between his utterances and those of his leader since the beginning of this session have been very apparent. We may wonder what would have happened to Canadian unity had the country fallen for such discordant appeals. The Liberal party, on the other hand, represented uniformity of programme and unity of spirit and action.

This national unity, this spirit of cooperation between all parts of Canada and all races of which our country are composed, is a most valuable asset. It is to be hoped that it will not remain only a form of speech, or be manifested only in time of emergency, but that it will lead to a better understanding between races and as well to a better distribution of civil service posts and of employment by public service companies, such as the two railway systems, the telephone systems and the public utilities corporations. Then and then only will the spirit of national unity have borne its fruits.

It is a source of satisfaction to us of the Liberal party to be able to say that in the last forty-five years those who have done most for the cause of national unity, those who have done most to guide this country out of colonial status to that of an independent dominion and from the latter to that of a sovereign state, have been the leaders of the Liberal party. The first was Sir Wilfrid Laurier, whose prime aim in life was the unification of this country into a harmonious body of men of different origins, understanding one another and working side by side for the greatness of their country. Laurier's call has not remained unanswered. We find to-day in his successor as leader of the Liberal party, and his successor as the recognized leader of the French element in this country, two men who have set for the country at large a most eloquent example of how harmonious cooperation can be established between our two great races.

I do not consider it inopportune, at a time when we are considering the estimates for our cooperative effort in this war, to point to the extraordinary relationship that exists between the two men who are considered the true successors of Laurier and the most faithful disciples of his Liberal doctrine. The consideration and respect they have for one another, the total absence in them of that envy or friction which so often exists between men who share the responsibilities of government, are a tribute to their greatness. Their breadth of view and the loftiness of their political and national ideals should serve as a model to all who enter the public life of their country. Both are great men, one in that he has given brilliant leadership to the country for over fifteen years and is now proving to be the man who can best steer the ship of state through the tempestuous seas that lie ahead; the other in that he has, after a parliamentary career of over thirty-six years, kept the confidence of all his race, of which he is a living symbol and is to-day, as during the last twenty years, the undisputed leader. They are both great in that one is broad enough to share the limelight with his partner, knowing that it does not minimize in any way the authority of his leadership or the intrinsic value of his acts; the other in that he has not considered it beneath him to serve his leader faithfully in all circumstances, knowing that it could not take away from him the deserved admiration of all his fellow citizens. These are the men that the people of Canada by an overwhelming majority elected two months ago to govern the country. These are the men in whom the people of Canada have confidence at the present time, no matter what the few members composing the remnants in this house of the Conservative party, or some of their newspapers, may try to insinuate. The people of Canada have placed well their confidence, and the country may feel assured that it will be given the proper leadership.

After the events of the last few weeks in Europe nobody will hesitate to support the motion which the government have now put before the house. After the enlightening speeches of the Prime Minister and the Ministers of Finance, of National Defence, and of Munitions and Supply, nobody can sincerely retain any doubts as to the wisdom of the actions of the government in regard to the conduct of the war.

Mr. DOUGLAS G. ROSS (St. Paul's): May I first, Mr. Speaker, congratulate you on your election as Speaker of the House of Commons. I know that you will perform your duties well. This congratulation comes from one Scotsman to another.

I am afraid I do not agree with the last speaker (Mr. Picard) in many of the remarks which he made.

An hon. MEMBER: It does not matter.

Mr. ROSS (St. Paul's): I will not say anything more in that connection at the present time. I do not wish to delay the business of the house, but I should be neglectful of my duty if I did not give expression to a few of the thoughts which are running through my mind. The hon. member for Témiscouata (Mr. Pouliot) a few minutes ago said "hear, hear" when the matter of repetition was mentioned. I am afraid I may repeat some things that have already been said in this house, but it may be necessary to do so; it seems to take a thing a long time to get from the ear to the brain of the government, and in that regard a little repetition may do some good.

My reaction to the speeches of the Minister of National Defence (Mr. Rogers), the Prime Minister (Mr. Mackenzie King) and the Minister of Munitions and Supply (Mr. Howe) is that there is no driving force behind the government. It is still the old government of laissez-faire, inaction and ineptitude. I do not wish to recall things of the past, but it is only by its accomplishments in the past that the government can be judged as to its capability at this time to carry on its task.

This is a serious time in our history, and it must be the view of all that the greatest power is necessary to drive us to our war effort. We must work so that in the shortest possible time we shall be in a position to produce in Canada and send to our troops overseas large quantities of munitions of war and have a sufficient surplus for use in this defenceless Canada. We must take immediate and adequate steps against subversive influences and sabotage. Every effort must be made to limit the danger from those sources. The action now being taken to counteract subversive activities is puny indeed when we consider what it should be. The services of all people in Canada ought to be enlisted, but up to the present time this has not been done. The people are crying out in their desire to do their part, but so far to most of them that privilege has been denied. As one hon. member said yesterday, in a time like this when munitions are required it seems farcical that we should have men walking the streets with nothing to do. We need men, guns, rifles, armoured cars, machine guns, clothing and other kinds of equipment. Many of these things can be made in Canada.

We did derive some solace from the observations of the Minister of Munitions and Supply when he gave us the figures with respect to clothing and boots. In my view there should be no reason in the world why any troops in Canada should be without those necessities, if they are being produced as he has stated.

In these days it is most important that we protect our exchange position with the great country to the south of us, so that we may buy from them the things which we cannot produce. Steps must be taken to see to it that our imports of luxuries, things we can do without and articles which can be made here, are materially cut down, so that we may preserve the exchange position existing between Canada and the United States and place ourselves in a position to buy the things we need, and of which we will need plenty.

May I repeat that what we need now is action. We must see to it that our forces overseas obtain as quickly as possible the things they require. We must watch all subversive forces in Canada, and must take care of the homes of the men who have gone or are going overseas.

As hon. members are aware, the government at Westminster has passed a bill placing the property and services of the people of England at the disposal of His Majesty the King. Is our peril less? It may be, but if so it may be only a matter of time when it will be just as great. In my view we should have a national registration of every man and woman in Canada; if we do not, I wonder how we are going to find out about subversive influences? How are we going to learn about the spies or those of our citizens who belong to nazi organizations? The Minister of Munitions and Supply has all the power he requires to carry out his job. He is within his rights if he chooses to take action under the legislation passed in September. His powers are unlimited, and he must use them now. There are nazi organizations throughout this continent, and we hear of their existence in Canada in particular.

Another danger to Canada arises in connection with the tourist traffic which will enter our country this year. I ask the Minister of Justice (Mr. Lapointe) to take every precaution to have proper supervision at all border points so as to prevent the infiltration of enemy aliens or sympathizers from the United States. It is our duty to do that, because the United States would be in peril if anything happened to Canada. I would ask the minister to do everything in his power to secure the cooperation of the President of the United States in this connection. One ought not to take too lightly the danger which arises from possibilities at our border points.

How secure are we? Only the ministry knows. Those of us who are not in the confidence of the government hear rumours, and as a result of those rumours we are forced to the belief that drastic steps must be taken at once—not in a week, but right now—to

meet these new perils. Great Britain has taken drastic steps. The attorney general of Ontario has urged upon the government that they take action, and the legion and other organizations throughout the country have done the same thing. There must be no fooling in connection with the rounding-up of enemy aliens, and it must be done at once. We know what happened in the countries overseas which now lie devastated. One of the main causes of their devastation was the infiltration of enemy aliens and the traitorous action which arose therefrom.

For example, knowing that our great hydro-electric system in Ontario serves the whole of the province, we must realize that there is great danger of interference with the plants and transmission wires. I know that some steps have been taken to prevent damage, but the need is greater now than it ever was to see to it that any interference is impossible. Is there any reason why people should be allowed to enter some of the armouries in the country without being questioned? These things should not be permitted.

The Minister of National Defence (Mr. Rogers) announced last night the formation of a veterans home guard of 3,000 men. There was some encouragement in that statement, but 3,000 men stretched from coast to coast is only a drop in the bucket. Even though the 3,000 men were fully armed it would be nothing to what is really required. Consideration should be given to the enlistment of the services of all veterans. These men are willing to do something, but they are impotent at the present time.

The militia regiments of the country should be brought up to full strength at once and equipped and armed. If we cannot get the arms and equipment from our own factories, they should be obtained from the United States. The people want action; they do not want promises. Action will give them some idea of what is going on. I suggest that the necessary arms can be obtained from the government of the United States. In view of the speech made by the President of the United States at the opening of the Ivy Lea bridge, I am sure he would be only too glad to assist this country to obtain arms for home defence. I urge the government to go to the President of the United States and put their cards on the table. I am sure they would then be able to get the arms and equipment needed for the home defence of Canada.

We as members of the House of Commons can assist this government. Last September we offered cooperation to the government but I do not know of one member who has been asked to cooperate. We on this side said that we would not criticize, that we would allow the government to get on with their work. We offered cooperation and we did not criticize, but unfortunately we made a mistake. We should have criticized and we should have prodded the government into action.

As I say, we as members of the house can help this government, but the government should keep the members informed as much as possible. Committees of the house could be formed to assist the various departments. The committees could then be instructed as to what is going on, and this would help to a great extent to retain the confidence of the people. The House of Commons should have been in session ever since September. There could have been adjournments of a month or two at a time, but parliament should have been in session at the call of the government. If that had been done there would not have been the recriminations we hear at the present time. Let us not allow that to happen again.

In his speech the Prime Minister said that the people wanted action now. Funny that it should be only now; I thought it was last September that action was wanted. The Prime Minister said that he had received a mandate from the people. I say that he has a mandate based on speeches and words, but not on truth. Here are his words, as reported on page 36 of *Hansard* of May 20:

> —namely that the country is anxious to know, respecting Canada's war effort, what the government has done, what it is doing and what it proposes to do. That I think is the one question which the people of Canada are asking, and to which they are entitled to have an early and complete reply.

Mark that, "an early and complete reply."

They know in large part but they do not know all.

Note that: they do not know all. They do not know all, but if we are helping them, they will know. When the people know, public opinion will be so definitely formed that there will be nothing but action. There is a demand throughout the country for a reorganization of the government. If confidence is to be restored this must take place. One piece of reorganization has occurred already, of which I approve, but further reorganization is necessary. This is not the time for politics, and anything I have said to-day is not party politics. Everything I have said comes from the bottom of my heart in an endeavour to urge upon this government the necessity of making the greatest effort that has ever been made. I make one further plea. I urge upon hon. members on the other

side of the house that they raise their voices in this time of crisis and see to it that Canada gets the action it is demanding, the action we must have if we are to preserve our freedom.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I do not think hon. members, including myself, should take up the time of the house unless they can add something new to the debate. I intend to speak from what I know, not what I think. Five years ago we did not have an aeroplane factory in Fort William, but now we have a factory making aeroplanes which employs a thousand men more or less. Last weekend I visited Trenton, my previous visit having been some weeks ago. I found the number of aeroplanes there all ready and fairly well equipped to be about 100 per cent more than on the previous visit. I saw large boxes approximately 50 feet long and about 12 or 14 feet wide containing aeroplane parts which had been shipped from England to Trenton to be assembled. All this shows that something worth while has been done.

A short time ago I was across the line doing a sacred job, and I was surprised to find many professors there most willing and anxious that the United States should have a hand in this battle because this fight is for something which the United States at its best stands for. The great problem that faces the President of the United States as it faces the government of Canada is how to harness the enthusiasm that prevails on the north American continent from coast to coast. It is no easy job. I am sure, however, the people of Canada believe, notwithstanding what some people say, that the government of this country are doing a fine job.

But what I rose particularly to say, Mr. Speaker, was something that was touched on very briefly by the Minister of National Defence (Mr. Rogers). It is something which is always on the side of right; it never straddles the fence. Without its aid I think we are sure to lose and with its aid we are bound to win. When Admiral Beatty sent his call back to the homeland and throughout the British empire for prayer, it was not very long before the devil in France and Flanders had to hide his head. The call to prayer has come again, and I could not help listening with an attentive ear, Mr. Speaker, to the manner in which you said the prayer at the opening of this session, "May thy kingdom come." If we say that prayer with sincerity, and keep a clear head and a healthy stomach, we are ready to do our part anywhere. On the invitation of our king and of this government we should spend this weekend in quiet, reverent prayer, not failing to be sincere; and if we do, the devil who is now going about like a roaring lion in Europe will certainly be beaten. Without this aid we cannot win.

Mr. NORMAN J. M. LOCKHART (Lincoln): Mr. Speaker, I rise to speak very briefly to bring to the attention of the government one or two salient facts. May I say at the outset that my attitude is distinctly to cooperate with the government in every way I can. I realize from the remarks of the Minister of National Defence (Mr. Rogers) last evening that he has made some approach towards relieving the state of alarm that prevails in the minds of our Canadian citizens. He has intimated that his department will form a home guard composed of about 3,000 men.

It was my privilege yesterday to bring to the attention of the Minister of Justice (Mr. Lapointe) and the Minister of National Defence the situation that obtains in my own community. I spoke briefly of the situation obtaining at the old historic camp grounds at Niagara-on-the-Lake. May I amplify what I said? At Niagara-on-the-Lake we have one of the greatest camp training grounds in the Dominion of Canada. It has been famous for half a century. It has training fields equipped with the latest sanitation, and buildings of every description. I reminded the Minister of Transport (Mr. Howe) of this historic camp ground when he spoke of the construction of new buildings, in the hope that the buildings and camp ground at Niagara-on-the-Lake would be utilized to a greater extent than they have been. It is now deserted, but the Minister of National Defence intimated to me to-day that the matter would be given consideration. I want to urge upon the members of the government, from the Prime Minister down, the imperative necessity of action in that district.

We have heard a good deal about "fifth column" activities in this country, and in that connection I should like to read a telegram which reached me just a few minutes ago. It is from an organization representing approximately 500 returned veterans, men who probably would not be accepted for overseas service, but men whom I know to be zealous, for I know most of them personally. The telegram is dated to-day and reads:

> Veterans voluntary home defence corps sponsored by Canadian Legion, St. Catharines, requests that you arrange with Department of National Defence for a supply of five hundred rifles and ammunition to be placed in the custody of the chief constable, St. Catharines, to be used in case of emergency.

The telegram is signed by the secretary of the Canadian Legion, which represents all the returned soldier organizations in that district.

At the present time we find the armoury at St. Catharines deserted, and a large empty factory which was used by the 10th St. Catharines battery before it went overseas in December, has now all its windows barred again. Nobody is in the armoury, and the camp ground at Niagara-on-the-Lake is deserted. We have a situation obtaining in connection with the "fifth column" which is alarming and in respect of which I handed a letter to the Minister of Justice yesterday. In view of the situation I urge upon the Minister of National Defence not to confine his activities to setting up a home guard of twelve companies of 250 men in each military district. In that old historic Niagara peninsula we urgently need a home guard of at least twice the size of 250 men. There is no danger of subversive elements getting the upper hand if we have proper protection in that district, and in urging action upon the government I would remind them that we have there one of the greatest industrial areas in Canada, with factories of every description, most of which I am sorry to say are not doing very much towards winning the war but rather are pursuing to a large extent their peace-time activities. Ever since the beginning of the war, efforts have been made by factory after factory to engage themselves upon war work. I have checked over their lists of equipment, and I am sorry to say that very little of it is being used for war purposes.

Also in that area we have one of the greatest transportation systems paid for by the people of Canada—the Welland ship canal. And yet it is protected by just a paltry guard. True, the Royal Canadian Mounted Police are doing a wonderful work, but how many men have they there? One here and one down there. Reference has been made to tourists who might come into Canada at this time, and the devastation that might be worked is alarming when we stop to contemplate it. The only protection is a handful of provincial police to guard the greatest hydro-electric system in this country, with power lines running overhead in every direction. I urge the Minister of National Defence to take full cognizance of the situation in the Niagara peninsula. I urge that he place two or three companies there. I recommend him to make a close scrutiny of the question of protecting those power lines. Industries in Toronto, Hamilton and many other places are dependent upon the hydro-electric system and will be completely crippled if anything happens to it. Although it is now being taken care of by the provincial government, its protection is a direct obligation upon this government.

I bring these matters to the attention of the house and of the government, and I urge the Minister of National Defence not to confine this protective work to a mere handful of small home guard groups, but to place in this particular district two, three or possibly four bodies of men constituted as he has suggested to give us ample protection, and to do this with the least possible delay.

Mr. W. K. ESLING (Kootenay West): Mr. Speaker, may I be permitted very briefly to make reference to recruiting conditions as they have existed in districts in the southeastern portion of British Columbia? It is the hope that the minister will take cognizance of such conditions and provide a remedy in connection with the recruiting of the units for the prospective third division.

Along a highway some fifty miles in length there are three communities with approximately 25,000 people. In those communities are two permanent armouries, and one large drilling space requisitioned by the government at the outbreak of war. There are hundreds of young men in those communities who are eager and anxious to serve the country. Departmental physicians are there to make the necessary medical examinations, and those young men are medically examined first of all by them. They then apply to the recruiting officer at Vancouver, five hundred miles distant. Having travelled there at their own expense, and after having appeared before a medical board at Vancouver, they are informed that they will be notified when required. It is then necessary for them either to hang around Vancouver or to find their way back home, a distance of five hundred and, in some instances, six hundred miles, at their own expense. Does it not seem reasonable that when men, anxious to serve the country, are accepted first of all as medically fit by local departmental officials, and after reporting to the recruiting officer at Vancouver, have been given a sufficiently good medical certificate there, they should receive at least a warrant for their return fare home? I ask the minister if he will not consider this situation which obtains in the interior and relieve future applicants from the obligation of travelling so far. Remember it means a thousand miles of railway travel, berths, meals, and hotel expenses in Vancouver city.

To bring home with emphasis certain conditions which apply generally, I am also going to refer to the matter of applicants for the air force. I have in mind one young man

who at his own expense went to the United States to take a course in flying. He did not have sufficient funds with which to complete that course. He returned to Canada, resumed his occupation, saved sufficient money to cross the line again, and came home with a first-class pilot's certificate. Then he went to the coast to present his application. He was examined there, accepted as physically fit, and told that in a few days he would be advised as to when he would be needed, but that it would be, perhaps, better if he went to Ottawa. Through all these varied travels this young man, anxious to get into the air force, and equipped with a pilot's licence, incurred actual expenses of approximately $500 in his endeavours to serve the country. With him on this particular trip was another young man who did not have sufficient money to permit him to hang around Vancouver—because that is just what it amounts to. One may see throughout my district several hundred of these young men, discouraged, their ambitions thwarted. They stand on street corners and they support light-standards or the fronts of buildings; they do not know which way to turn or what to do; they are waiting for advice as to when they will be called. In the instance to which I have referred, the young man who travelled these five hundred miles to Vancouver, unable further to meet the financial strain, simply crossed the line and joined the United States navy.

I want to refer briefly to a matter which has its unjust aspects. During the war session the minister placed on *Hansard* a table of pay and allowances and made it clear that there would be an allowance to the wife of the enlisted man. Unfortunately no reference was made to the widowed mothers of sons who enlist. I do not blame the government, but I say that more specific instructions should have been given to the officers who recruited the men who enlisted in our local batteries, that is to say the 109th and the 111th batteries in southern British Columbia. The recruiting officers were keen to get a full unit, and they simply said to these young men, "It is perfectly all right; you sign up and your dependents will be taken care of." These boys were given to understand that mothers receive the same allowance as wives. Unfortunately these young men who enlisted were given to understand that such would be the allowance—and so were their mothers. The result was that for fully three or four months after their enlistment, although these young men had assigned their pay or a portion of it to their mothers, no allowance was granted and there was repeated correspondence with the dependents' allowance board.

About the early part of January there were amended regulations to the pay and allowance provisions and these mothers were given about ten dollars, perhaps a little more. That allowance was made only from the time that the amendments were made. It would seem perfectly reasonable that a boy who enlisted early in September was not at fault, nor was his mother guilty of any negligence, if the regulations were not properly drawn up or if they were not made early enough to cover such cases, because the dependents' allowance board had sufficient notice. The mothers therefore, instead of receiving this allowance from the time of the enlistment of their sons, were given it only from the date of the amended regulations.

One must realize that the dependents' allowance board was a new body, that it had innumerable cases to deal with, and that in some instances, there were aggravating circumstances. But one must also conclude that, with the number of changes in the chairmanship of the board, the personnel were not all well informed. I believe the minister will agree that since September last there have been at least three persons administering the board. There is Colonel MacNamara now, then before him Colonel Hill and prior to that the minister's personal representative; while before that time the matter was handled from the minister's own office. These are matters of current criticism with the mothers at home and among young men who are now waiting to be called.

I might cite one case. A mother presented her claim for allowance by reason of the enlistment of her son, and this is the reply she was given in an official letter—not a letter from somebody outside the department but an official communication. It stated that they had looked into the matter and found that during a period of six months prior to the son's enlistment he had contributed to his mother's support the sum of $110. That means $20 a month for six months except for the last month when the contribution was $10. The letter then went on to point out that during the period of six months after enlistment the mother had received by way of assignment of pay the sum of $20 a month, or $120 for the entire period, so that she was really better off by $10 for the six months than she had been in the six months prior to her son's enlistment. Does any one believe that such a letter would satisfy this mother or the mothers of other young men who were prospective recruits?

I suggest that the minister, in connection with the recruiting of units for the third division, should utilize the local departmental

physicians and the local armouries and save, to those who desire to enlist, the trouble of travelling the distance from Vancouver, a thousand miles, to say nothing of travelling expenses and hotel accommodation. Taking it by and large from the beginning in south-eastern British Columbia, the conclusion seems to be justified that had the government concentrated upon a plan to discourage voluntary enlistment, they could not very well have done a better job.

Mr. P. E. WRIGHT (Melfort): It is with considerable diffidence that I rise for the first time to address the house, but I can assure you, Mr. Speaker, that it is not my intention to waste any time. In the first place I should like to compliment you, sir, upon your election to your honourable office and upon the impartial manner in which you occupy the chair.

I realize that the Canadian people are looking for action and not for words at this time. I listened yesterday while the opposition criticized severely the action of the government because of its slackness in recruiting, but very little was said abouts its slackness in supplying up-to-date equipment and fighting material, which in my opinion is a matter of even greater importance. To-day if your men are not properly equipped it means annihilation. In Toronto the other day, riding on a bus, I remarked to the conductor how smoothly it operated. His reply was that it was new. I inquired what the company did with their old buses. He said that he understood they were selling them to the government, and he added that if the government had all the trouble with them that the company had had, the government would wish that they had never seen them. In Oshawa I saw car after car rolling off the production line, that you and I and other fellow Canadians might ride in comfort. If my information is correct, we are sending our men overseas without modern fighting equipment. Anything is good enough for the army so long as we ride in comfort at home.

Surely it is time this government woke up and demanded the nationalization of our war effort, both financial and industrial. Only by this action can we hope to cope with the present situation. This would not only speed up production but save the taxpayers millions of dollars.

Let me read a quotation from a speech delivered by Mr. David Lloyd George in the British House of Commons on August 18, 1919:

> The 18-pounder, when the ministry (of munitions) was started, cost twenty-two shillings sixpence a shell. A system of costing and investigation was introduced, and national factories were set up which checked the prices, and a shell for which the war office at the time the ministry was formed, paid twenty-two shillings sixpence, was reduced to twelve shillings, and when you have eighty-five million shells, that saved £35,000,000. There was a reduction in the price of all other shells—

I should like hon. members to note this:

> —and there was a reduction in the Lewis guns. When we took them in hand they cost £165, and we reduced them to £35 each. There was a saving of £14,000,000, and through the costing system and the checking of the national factories we set up, before the end of the war there was a saving of £440,000,000.

In Canadian money that is over two billion dollars.

This government should take immediately similar steps to organize the industry of this country on a war-time basis without profit to anyone. We have to-day in Canada many unemployed. We all thought and expected that immediately war was declared these men and women would be absorbed into industry. Private enterprise has failed to do this; it has failed to exert a maximum war effort, not only in this country but in Great Britain. They have realized this over there and are hastening to remedy it. Surely it is time that this government woke up. If they fail to do so, in a very short time they are going to find themselves in a precarious position, despite their huge majority.

Mr. C. E. JOHNSTON (Bow River): I am quite cognizant of the fact that all parties in this house are most desirous of cooperating to the fullest extent in order to win this war. That is the desire of everyone in Canada. Time is precious; we realize more than ever that time has been wasted until now. But from now on there is going to be a united effort in order to win this war. We realize that this is a different war from any that has ever faced the world before. It is purely a mechanized war, and this mechanization will increase. It is true that battleships are required, which entail a tremendous expense. They have to be manned by a great many sailors. We must have aeroplanes, again entailing enormous expense. We must have a great standing army, entailing great expense. But one of the things that I think we are overlooking is this, that no matter how many battleships and how many aeroplanes you have, or how many men you have at the front, unless you have made provision for their maintenance they will be utterly useless.

The thing which I have particularly in mind with regard to battleships and aeroplanes is fuel. Alberta is most favourably situated in that regard. In time of siege of this country that province could render more service to

Canada by supplying coal and oil than all the other provinces put together. It is not inconceivable that the British fleet, as I pointed out here a year or so ago, might require the oil that we have in Alberta. Two years ago when I pleaded with the government to do everything in its power to assist Alberta in providing a pipe line from Turner valley to the coast, no heed was taken. I am making no criticism in that respect at this moment, but I say the time has come when every assistance should be given that province further to develop its oil and coal fields. We talk about developing a vast air training scheme in Canada, but where are you going to get the fuel to supply the requirements of that air effort? It is going to require a tremendous quantity. The assistance for which I ask should be given so that development can take place.

I do not believe that the people of Canada realize the potentialities of the oil fields of Alberta. It is a well known and undisputed fact that Alberta has the greatest potential oil fields in all the British empire. We have the Turner valley field south of Calgary; we have the Wainwright field southeast of Edmonton; we have the Athabaska tar sands in which there is an unlimited quantity of gas and oil products. We have the Steveville and Moose Dome areas, containing one of the greatest crude producing wells on the north American continent, and we have the Ram river and the Clearwater and the Pouce Coupé areas which constitute in prospect one of the largest fields anywhere in North America. Those areas should be given serious consideration.

Mr. J. L. Irwin, statistician of the provincial department of lands and mines, stated that if markets were available, by 1940 regulated daily production would exceed 29,500,000 barrels. That is a tremendous amount, but that is only a fraction of what can be done. It is necessary that every possible step be taken to ensure that this oil is made available not only for Canadian defence but also for the defence of the British empire. During the first three months of 1940 an increase of 440,868 barrels was made, bringing the production at March 31 to 1,667,412 barrels compared with 1,222,544 barrels a year ago. That is a tremendous increase. In the same period six new wells were developed, four of which are the largest producing wells yet struck. And that is only the beginning. If it were possible to reach the market that is available here, for the output of those wells and the smaller wells scattered over that area, by the construction of a pipe line to the coast and possibly another pipe line to the head of the great lakes, this would be desirable not only for eastern Canada but for the defence of the western coast as well. It is an amazing fact that a few years ago Germany offered to finance a pipe line, and our Canadian government would not move. It is strange that we have to allow a foreign country such as Germany to come in and offer capital to develop a natural resource comprising one of the most essential war-time needs.

Some people raise the question of money. There is no question of money involved in this—at least there should not be. As the Minister of Finance (Mr. Ralston) said the other day, the only limit of our ability to supply materials and assistance in this war is our capacity for production. If money is essential, we have the Bank of Canada, which the Prime Minister (Mr. Mackenzie King) solemnly declared in 1935 would issue currency and credit in terms of public need. Then let us use it. I am not concerned how the money is got at this critical time, but I say, get it, and see that this great industry is taken care of.

I wonder if it is necessary to get the country into debt to construct that pipe line or develop those oil fields. That is not a question which at this time I am going to go into, but I wonder if the government has considered fully the protection of those wells at Turner valley and in other parts of Alberta.

Yesterday I received a telegram which I believe I should read to the house, to show the seriousness of the situation. This copy was sent to me, and I believe a similar telegram was sent on May 22, 1940, to the Minister of National Defence (Mr. Rogers). It reads as follows:

> Many returned men in the Turner valley oil fields are anxious to form protective body at no expense to government in order that they may be in position to act in case any emergency arising in oil fields. We solicit governmental sanction for such an organization and any assistance that you may see fit to authorize the officer commanding military district 13 to extend to proposed organization.
>
> Herbert Greenfield,
> President, Alberta Petroleum Association.

Those people are greatly concerned over the protection of the oil fields, because they know that the supply of oil is one of the essential services the Dominion of Canada can render in time of war.

On this occasion I do not intend to take up any more of the time of the house. There are some other points which will be discussed more thoroughly when the estimates are before the committee of supply, or when we are in committee on the bill. I hope, however, that

the Minister of National Defence and the Minister of Finance will take this matter under advisement and see that every precaution is taken to assist in Alberta, and that those making the request will receive all the necessary cooperation. They are only too willing to help defend Canada, and I hope the government will see to it that all assistance possible, financial and otherwise, is given, not only in connection with the development of those oil fields—because we are surely going to need the oil—but also to see that they are properly protected.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

The CHAIRMAN: Is it the pleasure of the committee to report the resolution?

Some hon. MEMBERS: Carried.

Mr. HANSELL: No. I am sorry I am so far away from the chair; perhaps I shall have difficulty in making myself heard. I purposely refrained from speaking on the resolution until it reached the committee stage because I was desirous of asking the Minister of Finance a simple question. I thought perhaps this would be the best time to ask it.

So far as I am able to ascertain from the resolution, it would seem that the government's policy in financing the war is the same policy of financing that has been used in past history, not only in the last parliament but through the last number of decades; that is to say, when the government wants money, it must either borrow, or tax it out of the people.

My question is this: In what way does the method of financing the present war differ from that used in financing the last war?

Mr. RALSTON: With respect to the general principle as to the method, I think the hon. member is correct. The principles are the same, except, however, in this respect, that on this occasion we propose so far as possible, as was indicated in the budget speech in September last, that the war shall be paid for as we go, and that borrowing shall be resorted to only when it becomes necessary, in order that the burden may not be too drastic, particularly in the early stages. Of course when one comes to details of method, having regard to rates of interest, tax-exempt features, and matters of that kind, there is a difference between this war and the last one. However I do not think that is what my hon. friend is interested in at the moment.

Mr. HANSELL: I appreciate the minister's reply, and in that connection I should like to read from the speech of the acting Minister of Finance who served at the special war session in September. In explaining to the house that the government's policy would be to finance the war on a pay-as-you-go basis, the minister called attention to the fact that the government was going to be particularly careful in this war, lest the results of our financing it would be similar to the results of our financing the last one. May I read from page 139 of *Hansard* for September 12, 1939:

> No country had the courage to finance the great war solely by resort to taxation and borrowings out of savings. As already indicated, the record of some countries was much better than that of others but all suffered from a world-wide inflationary rise of prices of enormous magnitude. For the last twenty years the world has been paying the price—a colossal one. Indeed it is perhaps not too much to say that some of the roots of the present war are to be found in the world-wide unsound financing of the last war and the great economic dislocations and continuing burdens of which it was in part the cause. It is to be hoped that in the present war the world may be able to avoid a repetition of that experience.

I fail to see how the results of this war can differ from those of the last one, if the same method or policy is used in financing it.

Although I have not yet located his exact words—and he will correct me if I am wrong—I was pleased to hear the Minister of Finance say a few days ago that we would finance the war on a pay-as-you-go basis, and that he realized that it could be paid for only out of current production. I believe that is the term he used. We understand of course that terms are often misunderstood; a term may mean one thing to one person and something else to another. What did the Minister of Finance mean by his reference to financing the war out of current production?

Mr. RALSTON: I do not think my hon. friend will find that expression in what I said the other day.

Mr. HANSELL: I am sorry if I have misquoted the minister. I did not have time to look up the statement.

Mr. RALSTON: I notice the expression has been used frequently from that corner of the house, but I do not think it was used.

Mr. HANSELL: The resolution went into committee rather quickly. I had expected some other hon. members would speak, and I had not an opportunity to locate the phrase. Perhaps the minister will remember what he did say, and give it to us now.

Mr. RALSTON: Of course, I am not taxing my memory with what I said on that occasion, but I do not think I referred to financing the war except on the principles which I mentioned a moment ago, namely, on a pay-as-you-go basis as far as possible. I do not think I mentioned anything about financing the war out of current production.

Mr. HARRIS (Danforth): Mr. Chairman, I think we are all rather pleased with the idea that some of this cost will be met on a pay-as-you-go basis. I have an inquiry to make of the minister, but he need not reply to it at this stage. He may want to wait until he has had an opportunity of considering what I may say. I should like to direct attention to certain conclusions and decisions which have been arrived at by certain bodies, some official and some semi-official, some judicial and some semi-judicial. If consideration were given to some of these decisions, I believe a good deal of revenue could be derived in this time of more or less emergency.

I should like to bring to the attention of the minister one particular item in which a great number of people are interested. The tariff board carried on a study of this matter for two years. It was first started on an application made on December 11, 1936, and the tariff board finally brought down a report recommending the application of certain excise taxes similar to those obtaining in the United States. These taxes were enacted by the United States revenue bill of 1936 and given effect to in August of that year by an amendment known as the Bailey amendment. I consider our tariff board to be a semi-judicial body. After considerable study and research, that board made certain definite recommendations, which, if carried out, would bring at least $4,700,000 a year into the treasury of Canada. At the same time there would be no real hardship worked on the people of Canada.

The recommendation of that board recites the ways and means by which this could be done. One is impressed with the fact that throughout all the findings the idea persists that no real hardship would be worked. When the recommendation was brought before the former Minister of Finance, he found that our friends in Great Britain were a little disturbed over the possible effect of the recommendation upon their market. The fear was that this market might be thrown into the hands of the United States. However, since that time this fear has been dissipated by what has occurred in Great Britain. It was thought that the United States with their large production of lard might substitute this product for the tremendous Canadian importations of vegetable oil. It was thought that Canadian people might be using United States lard rather than empire oils. Another argument was advanced that Canadian lard was finding a ready market in Great Britain and that in exchange we were taking empire oils produced largely in Nigeria, the Straits Settlements, Ceylon and other countries.

This state of affairs has been re-orientated. Great Britain is not now taking our lard. Compared with the consumption, there is an over-production of lard in Canada. The 95,000,000 pounds that are produced here could be readily consumed if there were not such a large influx of tropical products from the empire, amounting this year to some 200,000,000 pounds. I ask my hon. friend, the Minister of Finance, to give this matter considerable thought. Here is an opportunity to pick up $4,700,000 in order to assist the treasury of Canada, and it will work no hardship on the Canadian people. This action would put our Canadian producers more on a parity with United States producers of fat and fat products. They will not be put on exactly the same basis because this recommendation is not of the same magnitude as the recommendation enacted in the United States in August, 1936, by means of the Bailey amendment to the revenue bill.

It would be good business for Canada to pick up this revenue at this time. Such action would help to conserve Canadian exchange, which is now going out of the country to purchase African oils to the extent of $6,000,000 to $7,000,000 a year. The whole trade will not be diverted immediately, but this action will tend to slow down the tremendous influx from Africa and at the same time stimulate the production and consumption at home of the domestic commodity. I have not seen a market report for the last two weeks, but the last report I had showed that lard in tank-car lots sold for five cents a pound. There are many farmer members in this house, of whom I am one, and I know they will agree with me when I say—I am glad the Minister of Agriculture (Mr. Gardiner) is in his seat, because I know he will agree with my statement—that you cannot grow fat on a hog's back for five cents a pound, let alone kettle, render and put it on the market in carload lots. With the cost of feed being what it is, that is just not possible.

The recommendation has been made that the excise tax should be applied. The government has the power to apply it, and I know they will have the good-will of the people should it be applied at this time. Here is a chance to take some constructive action by carrying out the recommendation of the tariff board. Such action would allay some of the feeling in Canada that we are too prone to apply more or less direct taxation, which is burdensome and not at all popular, rather than taxation which is not too hard on the individual and which may have a compensating effect upon a great industry. In my opinion the recommendation now before the

government compensates agriculture for any slight burden which there may be upon the consumer.

Mr. RALSTON: My hon. friend and I have discussed this matter already, and I want to say that he gave me the benefit of his extensive experience along with that of his colleague, the president of—

Mr. HARRIS (Danforth): The national dairy council of Canada. Representations were made also by the small packers of Canada who are not refiners or importers of these oils.

Mr. RALSTON: All I can say now to my hon. friend, and I know he will not expect me to say more, is that his representations have not gone unnoted or unnoticed. They are being given every study.

Mr. GREEN: During the course of the debate on this resolution many statements have been made as to the difficulty young Canadians are having in trying to join up with the different fighting forces. I understand, for example, that at least one of the British Columbia units in the second division has never been recruited up to strength, although now it is proposed to send that division overseas at once. We have been told by the Minister of National Defence that a third division is to be recruited immediately. We all know it is a fact that there are many, many units of the non-permanent active militia which are only skeletons at the present time. I think the government should tell us, and in telling us tell the country, exactly what their policy is to be from now on with regard to recruiting. I can see no reason why all these non-permanent active militia units should not be recruited up to strength. It would give us additional protection, and it would also give the men who join these units a chance to become trained. As the minister knows, we cannot train a fighting man to be ready for this war in a matter of a few weeks. I would ask him to let us know just what the policy of the government is to be from now on with regard to recruiting in Canada.

Mr. ROGERS: I did not hear the earlier part of the question put by my hon. friend, but possibly the latter part of it will be sufficient to enable me to provide an answer for him. The policy so far as recruiting is concerned, as I indicated the other night, is materially different from that followed in the last war. In the last war commanding officers were appointed who raised certain units; recruiting was done for that purpose, and the units were brought up to strength. At the present time, and ever since the outbreak of the present war, the method of recruiting has been to authorize the non-permanent militia units to be brought up to strength, and it was under that policy that the first and second divisions were mobilized. At the outbreak of the war, and subsequently in connection with reinforcements, recruiting has been through depots of the units already raised, and the men who have gone into these depots have been sent to the different training centres. The same applies to reinforcements recruited for units in the United Kingdom.

So far as the third division is concerned, it is the intention to follow the same method, which I might say had been worked out by the Department of National Defence long before the outbreak of the present war. It has on balance, I think, distinct advantages over the other method. It does mean, I quite agree, that there is what might be termed a controlled method of recruiting. There is continuous recruiting. There is recruiting for particular units until they are brought up to strength.

May I say to my hon. friend, so far as his question as to the non-permanent militia units generally are concerned, that we have provided, and it has already been announced, that these non-permanent units will be given an extended period of training during the summer months. They will be authorized to bring their units up to a certain strength, not full strength but a strength in excess of their present establishment for training purposes. I do not care to say from memory just what the strength of the non-permanent active militia units will be for the training period, but it is in excess of their present skeleton establishment. So far as the third division units are concerned, it is intended, as already announced, to bring them up to strength.

Mr. GREEN: In this desperate situation that we are facing, why cannot those other units which are not in the active service forces be recruited up to full strength? Even if the men who joined these units trained only in the evening and trained without pay, at least they would get some training. At the present time our young men have to wait, carry on with their jobs or remain on relief if they have no work to do, until reinforcements are called for the first and second divisions. It seems to me that the reasonable way to handle the problem would be to give these young men a chance to get at least evening training before they go into the overseas units.

Mr. ROGERS: The whole purpose of the department has been to recruit units up to strength as required, and in the nature of

things the government has had to be the judge of the time when additional recruits of the different units should be called. We have just authorized a third division. It will be formed from the non-permanent active militia units, and we shall be governed by circumstances as to the calling of further units. Apart from that entirely, we are providing for extended training of units which will not be included in the third division.

Mr. GREEN: The minister has said that these units which are not being called up are to go into camp this summer. Why cannot they be recruited up to strength before they go into camp, so as to give young Canadians an opportunity of getting that training in Canada? Then, when they come back from camp, they can train in the armouries in the evening. That would be at least a start, and it would give us that much larger reserve force in Canada. At the present time the government are making practically no use whatever of the units that are not in the active service force. I instanced yesterday afternoon a British Columbia regiment perpetuating the old 7th battalion. There they are with just a handful of officers, non-commissioned officers and men, and they are not able to render any real service. Why should not that unit be allowed to recruit now up to full strength, and let the men who join get some training? Is there any reason why that cannot be done?

Mr. ROGERS: I shall be glad to look into the possibility of recruiting up to strength at an earlier date than anticipated some of these units which are not included in the third division. My hon. friend will realize that the amount of training which can be done in the limited accommodation in towns and cities is not comparable with the training that can be given in summer camps which were contemplated. But I shall be glad to look into my hon. friend's suggestion and see how far it is feasible.

Mr. GREEN: I realize that, of course, but this country may be invaded within the next year, and we cannot sit back and wait indefinitely for the training of our young men. I have another question I should like the government to answer. I should like to know why they are allowing the officers training corps at universities to be shut down for three months in the summer. Why cannot that training be carried on during the summer?

Mr. ROGERS: As my hon. friend is aware, the universities themselves have terms which normally close at this time of the year, and obviously if the officers training corps were continued beyond that period, the men receiving that training would simply be waiting around at their own expense without being able to take any university course at the same time.

Mr. GREEN: Yes, but in our province many young lawyers and business men who are not attending university take the course in the officers training corps. I do not know just what the percentage of university students is, but certainly a large number are not university students, and the corps is the only school where officers can be trained in British Columbia. We have young business men by the dozen who want to get this officers training. Some of them were not allowed to train because they were not university graduates. That is another matter which should be remedied at once. There is no reason why the government should refuse to give a man officer training unless he is a university graduate. Let these officers training corps be kept open during the summer for the young men who are not attending a university. Why cannot that be done?

Mr. ROGERS: It may be done. In certain localities it may be desirable to continue the officers training corps during the summer months. I shall look into that and see if it should prove feasible. I would remind my hon. friend, however, that we are not drawing solely upon the officers training corps for officer material. It was indicated at the outset that we would provide officers from the reserve of the non-permanent active militia units which are moved to training centres and also —and this is of very considerable importance —that we would draw officers through promotion from the ranks. Naturally we do not want to expand the officers training corps to the point of creating expectations of appointments which cannot be realized. I think, if my hon. friend sees the number that were actually trained in the officers training corps this last winter, he will understand my point. We have actually trained a very large number. I have not the figures, but I shall be glad to obtain them and give them to my hon. friend.

Mr. GREEN: How is it intended to train young men from the ranks? Are they to go to the officers training schools?

Mr. ROGERS: I think my hon. friend will understand from his experience in the last war that I am referring to appointments which will be made to vacancies in the field.

Mr. GREEN: I agree entirely with that policy, but I am referring to the units which are at home in Canada. How is the young

man from the ranks of the unit in Canada to be trained? Is he to go to an officers training corps, or how is he to be trained?

Mr. ROGERS: Officers are posted to training schools through the non-permanent active militia units; and the non-permanent active militia units, when they are authorized to be brought up to full establishment, obtain normally their quota of officers from those who are already serving or those who are on the reserve.

Mr. GREEN: Is it not possible to have refresher courses for the men and the officers who served in the last war?

Mr. ROGERS: That matter is now receiving the consideration of the Department of National Defence.

Mr. MacNICOL: Will any portion of the money raised under this resolution be used for the payment of allowances to soldiers' dependants?

Mr. RALSTON: Yes.

Mr. MacNICOL: In that connection I should like to suggest that the regulations pertaining to soldiers' dependants be revised. I will give three cases, examples of many with which I have come into contact. They are the cases of three widows, each one representing many others who have similar troubles.

One widow's son before he enlisted had a substantial salary, $75 a month, from which he was able to give his widowed mother $50 a month. When he enlisted and went away, she received from him his assigned pay of $20, and from the dependants' allowance board $35 a month.

The second widow's son had intermittent work. Some months he was able to give his mother $50; at other times, $30 or perhaps not over $15 a month. When he enlisted, the widowed mother received the assigned pay of $20 and the board made her an allowance of $10. In other cases, perhaps the allowance was $5, but never anything like $35 in addition to the assigned pay.

The third widow and her son were both on relief at the time he enlisted. She received his assigned pay, $20 a month, and the dependants' allowance board allows her nothing.

I have felt right along that inasmuch as these respective sons go overseas together, face shot and shell together, and are all subject to the same trials and troubles of war, their widowed mothers should receive exactly the same, namely $20 a month assigned pay and $35 a month from the dependants' allowance board.

I would ask the minister if, after the resolution has been passed and the machinery is in operation, he, in conjunction perhaps with the Minister of National Defence (Mr. Rogers) who is very sympathetic, and whatever other minister has to do with the matter, would go into those regulations and see to it that they are made uniform. I am not sure, but I have been told that such was not the case in the last war. Am I wrong?

Mr. RALSTON: Yes.

Mr. MacNICOL: Then the information I received is wrong. But that does not alter my argument. I believe that inasmuch as the three young men face the same dangers and difficulties and are all equally subject to the risk of being wounded or killed, their dear mothers at home should receive exactly the same consideration.

Mr. ROSS (Souris): I entirely disagree with the recruitment policy which is being carried on. Even if one grants that is to be followed, has the minister considered that, in forming a division, instead of taking a regiment from one city or garrison, it would create more interest in the garrison if a company were taken from each regiment in the garrison or district. Taking it for granted that the minister's present policy is to be followed, does he not think that the method I have suggested would create much more enthusiasm and foster esprit de corps in the military district?

Mr. ROGERS: I quite agree that there is a valuable thought in what has been proposed by my hon. friend. That, too, I might say, has been given some study in connection with the plans for the third division, and I think I can assure my hon. friend that it may be possible to carry it out in some degree, at least in connection with certain of the units which will be raised.

Mr. BROOKS: I am wondering if the minister was considering the taking over of some of the units which are now doing guard duty and using them in the third division. I know that throughout the country there are some fairly well trained units which have been doing guard duty. It seems to me that to incorporate such units would hasten considerably the training of this third division.

I agree with the hon. member who has just spoken with reference to recruiting. Referring particularly to my own province, in New Brunswick we have four militia units, and one was selected for the first division. Men from all over the province enlisted in that regiment, which comes from York-Carleton, two counties in New Brunswick; and, of course, the section from which the York-Carleton regiment comes is extremely proud of being

represented. But in that regiment are men from the other militia units in the province. They and other units have taken non-commissioned officers, some of the officers, and a great many of the men, and they have to some extent weakened the other militia units. It seems to me that a more practical arrangement would have been to designate it the first New Brunswick regiment that went overseas and taken a company, perhaps, from each of the other infantry regiments. There would have been more esprit de corps as far as the unit is concerned, and these other units would not have been weakened as they are to-day. I believe that the adoption of that principle in connection with future recruiting would have a very good effect.

I do not regard the present system as altogether practical. It has another effect. After the war is over—and, we trust, successfully—these units will hope to carry on. A regiment which has not been represented overseas will certainly lose face with a regiment that has been overseas, and I believe that this would have a bad effect on the militia of the future. Presumably what is true in New Brunswick is true all over Canada. Take Manitoba, for instance; you might have a first Manitoba regiment and a second Manitoba regiment; in the same way, a Montreal unit; or a western Ontario unit. In England they have the Kents and the Surreys; each county has one unit from which there are different regiments of the same name. I believe that in this war it would have been much better for recruiting in this country if we had followed some such scheme as that. I remember that in the last war only one New Brunswick infantry regiment was represented at the front, although we sent enough men to maintain two, or three, or perhaps more in the field; and the people in our province did not feel that they were receiving fair treatment in this regard. We sent men to reinforce units from the Atlantic to the Pacific. I had hoped that in this war a different system would be followed, a system which would give the different provinces better representation as far as their units are concerned.

Mr. HOMUTH: The hon. member for Davenport (Mr. MacNicol) has raised a very important question in respect of the allowances that are being paid to widowed mothers. Are we going to continue to pay them an allowance based on the economic condition of their families prior to their sons' enlistment? Apparently that is what we are going to do.

I know of several cases where the boy was out of work and contributed very little to the home, and the allowance paid to the mother is based upon what he was able to contribute. There are three privates in the ranks and the widowed mothers are receiving different allowances. In my opinion this is very unfair. Surely some adjustment can be made; and not only should there be an adjustment, but it should be made retroactive from the time of the enlistment of the son.

Mr. RALSTON: The dependants' allowance regulations are made by the Department of National Defence and are concurred in by the treasury board. In my own constituency there are instances of the same sort as the hon. member has mentioned. Rightly or wrongly—he will say wrongly, judging from what he has already said—the rule, not only in these regulations but in the regulations that were in force during the last war and also in the Canadian Pension Act, which I suppose has undergone more revision than any other act on the statute books, provides that while wives are entitled as of right to pension, parents are entitled only in accordance with need, or as in this case, having regard to the support which the enlisted man has given. That has been the rule, and there has been the want of uniformity to which my hon. friend has referred, in that one soldier's mother may be getting a different allowance from another. Under the Pension Act, if a wife were in receipt of an income of $10,000 a year, she would still get the pension, but the rule does not apply to the parents. The idea is that there is a different situation as between parents on the one hand and the wife on the other, and that distinction has been perpetuated and is to-day in the financial regulations. It would be adopting a principle that has not been followed in any pension legislation or in any financial provisions of this sort that I know of if we adopted the suggestion which has been made. The theory is that the country endeavours to restore to the parent, to a certain extent at least, what has been lost by reason of the son's enlistment. That is the principle which has been laid down. In the third case stated by the hon. member for Davenport, I believe he said that the mother had been on relief.

Mr. MacNICOL: The mother and son.

Mr. RALSTON: As he knows, there was a hardship in that connection and it was recognized. The regulations provided that it had to be shown that the son had contributed to a certain extent. Obviously that could not be shown where the son was himself on relief, and so an amendment was made whereby it was possible to make an allowance to the mother to the extent of the contribution made by the son, with the limitations mentioned in the regulation, if it could be shown that the son's failure to contribute to his mother's support had been on account

of circumstances beyond his control. That amendment was made to cover the case to which my hon. friend refers. The request has been made that the matter be taken into consideration and I shall be glad to consider it; but, speaking as one minister interested in the whole question, I would point out that the principle would be entirely new and very far-reaching if we adopted the suggestion that has been made, because it would apply to the father as well, and there is no reason why it should not also apply to other dependants who are not in the relationship of wife. You would have to go all down the line.

Mr. HOMUTH: I think it is unfair. Three boys enlist, privates in the ranks, and they are fighting for Canada at different rates of pay. Their people are more or less destitute in consequence. When the war broke out, there prevailed throughout Canada economic conditions that we had never experienced before. These boys wandered about the roads for several years without being able to get work. They were not wanted by the municipalities or the provinces. No provision was made for them, but they forgot all that hardship and enlisted because they loved their country more than they disliked governments because of ill treatment. These boys wandered hundreds of miles over the province looking for work and therefore they could not contribute anything to the support of their mothers. They finally enlist and the mothers get nothing. To me it is unfair. We are passing a vote of $700,000,000. What does it matter what the war costs? If we lose the war, neither our money nor anything else will be of any advantage to us. For God's sake—and I say this as reverently as I can—let us be fair to those who are going to fight to defend the country. Let us look after the loved ones they leave behind and may never see again. Surely the country can well afford so to amend our laws as to enable us to look after the loved ones of those boys who have enlisted to fight for us.

Mr. RALSTON: Everyone agrees with the sentiment the hon. member has expressed; but he is presupposing a case of destitution, and it is the case of destitution that the amended regulations were intended to meet. If a son has been prevented from contributing because of circumstances beyond his control, allowance is made. I yield to no one in my desire to treat the men and their dependants fairly; I am merely pointing out that in the regulations which were in force in the last war, continued in the Pension Act and considered by a committee at every session of the house, certainly in the nine years that I was in the house, and continued down to this war, the principle I have stated has been recognized as sound. I ask hon. members whether that principle is not fair, namely, that of restoring to the parent or other dependant what he or she is deprived of by reason of the enlistment of the son or relative. In instances where they are deprived of nothing by reason of the fact that the son had not made a contribution, if the failure to contribute has been on account of circumstances beyond the control of the son, the allowance is still made. I ask, is that not a fair situation?

Mr. PERLEY: The minister has stated pretty clearly what the intention is, and I am glad that these regulations will be reviewed. May I cite one case, that of a widowed mother with an only son who is trying to carry on a farm. The father died last fall after the war broke out. This is an only son, nineteen years of age. The mother is trying to carry on the farm operations. I think this is rather a special case, because she had to hire help. The son is a fine boy, anxious to help his mother, but he got the spirit and enlisted. In reviewing these regulations, such cases should be taken into consideration. There are many of them in the west; I know of several. The mother has not yet received any allowance. In fact, I have a letter about the matter since I came to Ottawa.

Mr. RALSTON: My friend has written the board about it?

Mr. PERLEY: I have written the board since coming to Ottawa.

Mr. MacNICOL: It was difficult to get a prompt reply from the board.

Mr. RALSTON: We are all interested in this. Speaking for myself, I believe the government felt that when we got Mr. MacNamara—and this is making no reflections on others who occupied the position—we had a man who was highly qualified, sympathetic, and whose administration would be a credit to the dominion. I am sure he justified those expectations. He has a board with some new members, and I know he has had difficulty about space. The dependants' allowance board is going into the new building which is being built near the war supply board. The board has forty thousand files, and hon. members can understand that there may have been some congestion and possible delays on that account. But I am certain that the Minister of National Defence and I also would like to have any information of instances in which hon. members do not get prompt replies, because that must be remedied of course, and Mr. MacNamara would be the first to see that that was done.

Mr. MacNICOL: I am not blaming Mr. MacNamara or any other official, but I am sure the Minister of National Defence will find letters on his files—the Minister of Finance perhaps not so many—advising that I have been unable to get a prompt reply. The reason may be that there are far too many such cases. I am not finding fault with the board. But I have found it necessary to write to the ministers that I cannot get prompt replies from the board. I have advised the ministers that the widows themselves cannot get replies.

Mr. ROGERS: If my hon. friend will bring any such letters to my attention, I shall be glad to see that they are dealt with immediately. I do not recall his having written to me about not having received any reply. Is that the suggestion?

Mr. MacNICOL: I have written advising that I cannot get a reply from the board. Unfortunately when I am at home I have not a stenographer; I write my letters by hand and therefore have not a copy. Nevertheless it is a fact.

Mr. MacINNIS: The point raised by the hon. member for Davenport (Mr. MacNicol) is most important and should not be passed over until it has received the most earnest consideration of the committee. We should not be satisfied with the fact that the principle applied now is the same as applied during the last war. The situation at the beginning of this war is not that which existed at the beginning of the last. The world has moved on tremendously since the last war, and it is moving to-day, possibly at a faster rate than ever before. This question has caused more heart-burning perhaps than any other associated with the matter of allowances. I doubt if there is any hon. member who has not received letters, most passionate letters, in regard to this. I have letters from mothers whose husbands and sons have been unemployed for a number of years, or doing intermittent work. A mother whose son was fortunate enough to have work, was looked upon with envy by other mothers, whose sons were unemployed. There is more bitterness now when the mother of an unemployed boy gets a smaller allowance or none.

One of the things we are supposed to be fighting for in this war is democracy. If democracy means anything, it means a striving towards equality. That being the situation, we should strive towards equality of treatment of mothers who give their sons, regardless of whether those sons happen to have been employed or unemployed. I quite realize that there are cases in which there would not be a just or valid claim; that is where the son had left home, had given no thought to the welfare of his parents. In such cases I do not think the mother would have any claim because of the enlistment of the son. But where the son had been at home and would have assisted if economic conditions had enabled him, there is a claim, whether he was employed or not. I think it would go far to bring about a better feeling in this country, greater eagerness to assist the country in this extremity, if the government would give generous consideration to this matter.

Progress reported.

BUSINESS OF THE HOUSE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the chief whip informs me that he has been in touch with the other whips of the house and that there appears to be a desire that the house should not sit this evening, the reason being that this week has been one of intense activity on the part of all, not only hon. members but all associated with the business of parliament. I think we have made exceptional progress with the business in the last six days. Moreover, there is the fact that to-day is Victoria day. When there is not great pressure of business, the house sometimes does not sit at all on Victoria day; but to-day we have sat half the day, and if there is no exception on the part of any hon. member to an adjournment, I shall be pleased, on behalf of the government, to suggest that the house do now adjourn until Monday. If there were a desire on the part of hon. members to sit this evening, of course the government would be prepared to continue until eleven o'clock.

On Monday the house will continue discussion of this resolution.

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

Monday, May 27, 1940

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN ACTIVE SERVICE FORCE—FIRST DIVISION

Mr. CHURCH:

1. How many officers, non-commissioned officers and men, of all ranks, by provinces, compose Canada's first expeditionary force?

2. On what dates since the war started has the government sought recruits for overseas service, on what various dates was it stopped and restarted, and on whose recommendation?

Mr. ROGERS:

1. Strength as at May 18, 1940—Canadian active service force (overseas)—

Province	Officers	Other ranks
Prince Edward Island	6	165
Nova Scotia	42	1,232
New Brunswick	53	1,478
Quebec	166	3,992
Ontario	482	10,616
Manitoba	61	1,189
Saskatchewan	71	1,857
Alberta	88	1,954
British Columbia	56	1,595
Headquarters and miscellaneous	137	441
Total	1,162	24,519

2 (a) Recruiting began with the mobilization of the Canadian active service force.

(b) Recruiting for certain units has been suspended from time to time in order to control the intake in accordance with the unit desired to be recruited.

CANADIAN ACTIVE SERVICE FORCE—THIRD DIVISION

Mr. COCKERAM:

Will consideration be given to the inclusion in the proposed third division of an Irish regiment representative of Canadians of Irish descent?

Mr. ROGERS: In selecting units for the third Canadian division full and careful consideration will be given to the claims of all of the unmobilized militia units from coast to coast, including Irish regiments.

SUBVERSIVE ACTIVITIES—ANTI-ALLY PROPAGANDA*

Mr. CHURCH:

Will the government give consideration to the appointment of a committee of the house to investigate all adverse anti-allies propaganda carried on in Canada by the so-called fifth army and those who are pro-German and pro-Russian, as well as American channels in the air and the distribution of certain American press publications carrying items detrimental to the cause of our allies.

Mr. MACKENZIE KING: May I mention that there is on the order paper a notice of motion under my name with respect to the defence of Canada regulations and the intention to appoint a committee of this house to take up all matters that might arise in connection with a study of these regulations. I think the motion is sufficiently broadly worded to cover everything that my hon. friend would wish to have included in it, as is indicated by his question, and I would ask therefore that the explanation I am now making be considered as an answer to the question.

[Mr. Church.]

INTERNMENT OPERATIONS

Mr. ROSS (Souris):

1. Was one Doctor Schneider, of Lockport, Manitoba, interned since the outbreak of war?
2. If so, when, where, and why?
3. How long did he remain interned?
4. Was he released? If so, what were the circumstances connected therewith?

Mr. LAPOINTE (Quebec East):

1. Yes.

2. Sept. 3, 1939—Kananaskis internment camp. Why? See answer to question 4.

3. Order for release signed March 30, 1940.

4. Yes. The circumstances connected with the internment and release of enemy aliens cannot be disclosed to the public. Such disclosures would involve the publication of secret sources of information which it would not be in the public interest to disclose.

Mr. COCKERAM:

1. How many enemy aliens have been interned since the outbreak of war?
2. How many have been released from internment?
3. How many were released from internment during the period between January 26, 1940, and March 26, 1940?

Mr. LAPOINTE (Quebec East):

1. 409.

2. 145.

3. 47. The date of such releases depended largely on the time the reports of the tribunal that investigated various cases were received.

Mrs. NIELSEN:

1. Was one Alois N. Schneider, of St. Walburg, Saskatchewan, interned following the outbreak of war?
2. If so, why?
3. Was he released?
4. If so, when, and for what reason?
5. Was he supplied with railway or other transportation by the Department of Immigration or any other department of government?

Mr. LAPOINTE (Quebec East):

1. Yes.

2. Yes. The circumstances connected with the internment and release of enemy aliens cannot be disclosed to the public. Such disclosures would involve the publication of secret sources of information which it would not be in the public interest to disclose.

3. Yes.

4. Answered by No. 2.

5. He was supplied with transportation from the internment camp to his home.

PRAIRIE FARM ASSISTANCE ACT

Mr. FAIR:

1. What is the total cost to date of the administration of the Prairie Farm Assistance Act?

2. How many inspectors were in the field in Manitoba, Saskatchewan, Alberta?
3. What other staff is employed in each province?
4. How many are employed at head office in Regina?
5. Are all claims for bonus on the 1939 crop now satisfied? If not, how many are under consideration?

Mr. GARDINER:

1. $278,956.90 (to April 30, 1940).
2. Manitoba, 79; Saskatchewan, 162; Alberta, 39.
3. Manitoba, one supervisor; Saskatchewan, six supervisors; Alberta, one supervisor.
4. 52.
5. 89 townships still under consideration.

PREPARATION OF UNEMPLOYMENT INSURANCE MEASURE

Mr. CHAMBERS:

1. Have any appointments been made by the government in connection with the proposed unemployment insurance bill?
2. Have the services of any persons been arranged for temporarily or otherwise to assist in the preparation of the bill?
3. If so, what are their names, and under what arrangement have they been engaged?

Mr. McLARTY:

1. No appointments have been made in connection with the proposed unemployment insurance bill.
2. The services of several persons have been utilized temporarily to prepare data in connection with the preparation of the bill.
3. The persons assisting in the collection of data in connection with the preparation of the bill were D. Christie Tait of the International Labour Office, A. D. Watson, Chief Actuary, Insurance Department, Bryce M. Stewart of New York, Charles Bland, Chairman of the Civil Service Commission, Watson Sellar, Auditor General and employees of the Department of Labour including Messrs. E. Stangroom, J. S. Hodgson and A. A. Heaps, the latter three employees in a temporary capacity.

PRAIRIE FARM REHABILITATION—EMPLOYMENT OF REGINALD J. JONES

Mr. DOUGLAS (Weyburn):

1. Was Reginald J. Jones hired, in any capacity, by the dominion government under the Prairie Farm Rehabilitation Act programme?
2. If so, during what periods of time, and what remuneration did he receive: (a) in salary, and (b) for expenses?
3. Is Reginald J. Jones now in the employ of the dominion government, and, if so, in what capacity?

Mr. GARDINER:

1. No.
2. Answered by 1.
3. No.

FRESH WATER FISH

Mr. DESMOND:

What is the total value of Canadian fresh water fish marketed annually (1) in Canada, (2) in United States?

Mr. MacKINNON (Edmonton West): The value of production of the commercial fresh water fisheries of Canada in 1938 was $6,718,828. The value of Canadian fresh water fish marketed in Canada in 1938 was approximately $1,507,538. The value of fresh water fish exported from Canada to the United States in 1938 was $5,177,713 and in 1939 it was $5,069,953.

WHEAT BOARD ADVISORY COMMITTEE*

Mr. PERLEY:

When will the advisory committee to the wheat board, as provided for in chapter 53 of the statutes of 1935, be reappointed?

Mr. MacKINNON (Edmonton West): The entire wheat situation, as well as the matter of an advisory committee, is receiving the close attention of the government.

INCOME TAX—EXEMPTION OF SOLDIERS' PAY AND ALLOWANCES

Mr. MARTIN:

Is it proposed to amend the Income War Tax Act so as to restore the provision whereby the pay and allowances of officers and soldiers of the armed forces of Canada was exempt from taxation?

Mr. RALSTON: My hon. friend will realize that his question covers a matter affecting policy and something that should properly be dealt with in connection with the budget.

BACON AND CHEESE EXPORTS

Mr. LACOMBE:

1. What was the total value of bacon exported from Canada to Great Britain during each of the years 1938, 1939, and 1940?
2. What was the total value of cheese exported from Canada to Great Britain during each of the same years?

Mr. MacKINNON (Edmonton West):

1 and 2.

Exports to the United Kingdom

Fiscal years ended March 31st.	Bacon Value	Cheese
1938	$32,622,079	$11,862,240
1939	29,441,133	11,161,499
1940	39,439,672	12,550,199

TRADE BETWEEN GREAT BRITAIN, UNITED STATES AND CANADA

Mr. HARRIS (Danforth):

What was the value of: (a) manufactured goods entered into Canada for consumption from Great Britain and from the United States,

for the fiscal years ending March 31, 1937, 1938, 1939, 1940; (b) partially manufactured goods entered into Canada for consumption from Great Britain and from the United States, for the fiscal years ending March 31, 1937, 1938, 1939, 1940; (c) raw materials entered into Canada for consumption from Great Britain and from the United States, for the fiscal years ending March 31, 1937, 1938, 1939, 1940; (d) manufactured goods exported to the United States and exported to Great Britain for consumption from Canada, for the fiscal years ending March 31, 1937, 1938, 1939, 1940; (e) partially manufactured goods exported to the United States and exported to Great Britain for consumption from Canada, for the fiscal years ending March 31, 1937, 1938, 1939, 1940; (f) raw materials exported to the United States and exported to Great Britain for consumption from Canada for the fiscal years ending March 31, 1937, 1938, 1939, 1940?

Mr. MacKINNON (Edmonton West):

	Imports from	
(a) Fiscal years	U.K.	U.S.
1937	102,056,865	247,207,956
1938	117,896,089	317,844,135
1939	94,222,239	271,785,137
Calendar year 1939	94,361,372	330,120,888
(b) Fiscal years	U.K.	U.S.
1937	14,880,157	22,165,712
1938	15,541,599	25,384,296
1939	11,263,507	18,212,805
Calendar year 1939	10,101,176	25,380,956
(c) Fiscal years	U.K.	U.S.
1937	12,570,863	124,346,994
1938	11,571,083	144,051,076
1939	10,147,301	122,481,845
Calendar year 1939	9,544,861	141,396,622
	Exports to	
(d) Fiscal years	U.S.	U.K.
1937	158,075,328	115,343,358
1938	162,415,883	138,064,686
1939	134,223,880	124,377,765
Calendar year 1939	150,642,589	132,342,939
(e) Fiscal years	U.S.	U.K.
1937	160,175,467	99,535,914
1938	170,092,001	133,753,156
1939	158,245,507	102,490,608
Calendar year 1939	92,608,259	107,525,443
(f) Fiscal years	U.S.	U.K.
1937	116,763,749	193,117,426
1938	90,623,207	137,593,840
1939	83,469,974	98,596,638
Calendar year 1939	137,141,199	88,230,860

The compilation of imports and exports by degree of manufacture is not available for the fiscal year 1940 since all trade statistics are now issued on the basis of the calendar year.

*WAR REFUGEES

Mr. BRUCE:

1. Has the government yet decided to relieve Great Britain and France of the burden of their thousands of refugees?
2. If so, have they set up the necessary machinery to give this immediate effect?
3. How many refugees do they contemplate bringing to Canada?

Mr. MACKENZIE KING: With respect to the first part of this question, namely, as to whether or not the government has decided to relieve Great Britain and France of the burden of their thousands of refugees, the answer concerns itself in the main with transportation. The decision to assist in relieving both Great Britain and France of refugees was made some time ago.

Concerning the second part of the question, as to whether or not the government has set up the machinery necessary to give this immediate effect, the answer is, as I have indicated, that in the main the government has been concerned in finding the means whereby at this particular time some of the refugees can be brought to this country.

Concerning the third question, as to how many refugees the government has contemplated bringing to Canada, the answer is that that will be a matter to be decided as time goes on.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PRAIRIE FARM ASSISTANCE ACT—COST OF ADMINISTRATION

Mr. ROSS (Souris):

1. What amount has been paid by the government on account of the administration of the acreage bonus provided for under the Prairie Farm Assistance Act, 1939, (a) by provinces; (b) by municipalities?
2. How much more does the government expect to pay on account of administration of acreage bonus for the year 1939?

PUBLIC SERVICE—ADDITIONS TO PERSONNEL SINCE SEPTEMBER, 1939

Mr. McGREGOR:

1. What numbers of additional staff have been taken on by the government, by departments or branches, since the outbreak of the war last September, at Ottawa and also at other centres throughout the country?
2. What has been the total annual addition to the government payroll by reason of such additional staffs at Ottawa and also at other centres of Canada?

ADDITIONAL OFFICE SPACE SECURED SINCE SEPTEMBER, 1939

Mr. McGREGOR:

1. What additional office space has been secured by the government in Ottawa since the outbreak of war last September, showing the names of the lessors, locations, amount of floor space secured and the annual rental to be paid?
2. What buildings in Ottawa have been taken over or expropriated by the government since September, showing the express purpose of such and the cost involved to the government in each such transaction with all available particulars?

PRAIRIE FARM REHABILITATION ACT—EMPLOYEES IN SASKATCHEWAN

Mr. PERLEY:

1. How many were employed under the Prairie Farm Rehabilitation Act in the province of Saskatchewan during the calendar year 1939?
2. What were their names, occupations, salaries and expense accounts?

PRAIRIE FARM ASSISTANCE ACT

Mr. PERLEY:

1. How many inspectors were employed from the 1st of July, 1939, to the 31st January, 1940, under the Prairie Farm Assistance Act, 1939, in the province of Saskatchewan?
2. What were their names, home addresses, salaries, travelling and other expense allowances, and how long was each employed?

Mr. DOUGLAS (Weyburn):

1. What are the names and addresses of all persons hired under the prairie farm assistance branch of the Department of Agriculture?
2. What is the occupation of each, and for what length of time were they employed?
3. What remuneration did they receive in the form of (a) salary; (b) expenses?
4. What is the total amount received by the government in the special account of consolidated revenue fund for the prairie farm emergency fund?

VERMILION, ALTA., GOVERNMENT PROPERTY

Mr. FAIR:

1. How many lots are owned by the dominion government in the town of Vermilion, Alberta?
2. From whom were they purchased, on what date, and at what price?
3. How many buildings are owned by the dominion government in the town of Vermilion?
4. From whom were they purchased, and by whom were they built, when, and at what price?
5. Are all government owned lots now occupied by the government? If not, by whom, and on what terms?

NOVA SCOTIA FISHERY GUARDIANS

Mr. BLACK (Cumberland):

1. What are the names of the fishery guardians employed in the fiscal years ending March 31, 1939, and 1940, in the constituencies of Shelburne-Yarmouth-Clare and Cumberland?
2. What remuneration was paid, and what expenses were allowed to each such fishery guardian?

COMMONWEALTH AIR TRAINING PLAN

Mr. BLACK (Cumberland):

1. How many air-fields are there in Canada, constructed or in course of construction?
2. How many such air-fields are under the control of the federal government; where is each such air-field located, and what was the cost of each to March 31, 1940, to the federal government for (a) land, (b) buildings, (c) additional costs, and (d) total?
3. What have been the contributions by municipalities or private interests towards each such air-field?
4. How many air-fields is it proposed to utilize in connection with the commonwealth air training plan, and where is each such air-field located?
5. What is the estimated cost to complete the construction of each such air-field to be utilized in connection with the commonwealth air training plan?

GOVERNMENT ANNUITIES

Mr. MARSHALL:

1. When did the Canadian government first institute government annuities, and what was the original object of the plan?
2. How many contracts were issued under: (a) deferred annuities; (b) immediate annuities, during the year ending March 31, 1940?
3. How many commission agents are there actively engaged in writing this type of business; what are: (a) their names; (b) their length of service; (c) commission paid each agent during each of the last five years?
4. What was the total cost of administering this act in 1939-40, and by whom was the cost borne?
5. How much has been appropriated to date to provide for mortality losses?
6. Is the audit a continuous one? If not, what type of audit is carried out to-day?
7. Has the government given any consideration to the suggestion that the Annuities Act should be administered by the Department of Insurance?
8. How many contracts were cancelled during the year ending March 31, 1940, and what was the amount involved?

PROCEDURE RESPECTING QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. HANSON (York-Sunbury): Mr. Speaker, before leaving the order for questions may I suggest that questions 16 and 17 asked by the hon. member for Qu'Appelle (Mr. Perley) and 29 and 30 asked by the hon. member for Cumberland (Mr. Black) should not be turned into orders for returns. Short answers could be given to these questions, and under the rules we are entitled to have answers which will appear in *Hansard*.

My understanding of the rule is that questions are passed as orders for returns in order to avoid encumbering *Hansard* with long answers, occasioned by reproducing all or parts of departmental files, and so on. I should not think that the questions I have

indicated would come within that category; they are of a type which heretofore have been answered in the usual way.

Mr. GARDINER: It will take at least three weeks to obtain the answer to question 17. The information must be obtained from western Canada. I suggest that if the question is to be answered as a question it be deleted for the present, rather than have it stand from day to day throughout a long period of time. The answer will be quite lengthy, even at the end of that time. The other question to which the hon. member referred is of about the same type.

Mr. MICHAUD: With regard to question 29, may I point out that the answer will consist of a three-column return; in other words, there will be 120 names with two sets of figures against each name, and the material would fill two pages of *Hansard*. It is thought advisable to make it a return.

Mr. HANSON (York-Sunbury): That is not an answer.

Mr. POWER: With respect to question 30, only a few moments ago the chief of the air staff made representations to me to the effect that the procuring of the information indicated in the question would take some considerable time, and he pointed out further that the staff of the department is at the present time extremely busy.

I have no objection at all to allowing the question to remain on the order paper. I believe some parts of the question, notably that part which seeks information respecting the contributions by municipalities or private interests towards each air field, would require an order for return. In any event my information is that possibly we could get the reply for the hon. member for Cumberland very much faster if it were done privately than we could by asking the staff to work on the preparation of a return. If the hon. member for Cumberland insists upon its remaining on the order paper, we will answer it, but we cannot guarantee that it will be answered within a short time. I can tell the hon. member, however, that we will give him the information privately as soon as we can get it.

Mr. HANSON (York-Sunbury): On that point may I say that these are questions of public interest.

Mr. POWER: There is no secrecy about it.

Mr. HANSON (York-Sunbury): Some of these questions are of more than local interest. They are of interest to more than the hon. member who asks the question, and they should appear in *Hansard* in the ordinary way.

Mr. POWER: I have no objection to allowing the question to remain, if the hon. member wishes it.

Mr. LAPOINTE (Quebec East): Questions are passed as orders for returns as a matter of convenience, and I believe my hon. friend is wrong in saying the rule precludes that procedure. The rule and practice is that it is in the discretion of the government or the minister concerned to change a question into an order for return. Of course that discretion must be exercised wisely—

Mr. HANSON (York-Sunbury): Judiciously.

Mr. LAPOINTE (Quebec East): —and not abused. I remember a former prime minister reminding me that he was the judge as to that.

Mr. HANSON (York-Sunbury): Well, I am not so sure I agree with that. However we will not debate the point at length.

MOTION FOR PAPERS

SYDNEY AND LOUISBURG RAILWAY—CONCILIATION BOARD

Mr. GILLIS:

For a copy of all correspondence, letters, telegrams and other documents relating to a request for a conciliation board for employees of the Sydney and Louisburg Railway, made by District 26 of United Mine Workers of America.

AGRICULTURAL PRODUCTS

MEASURE TO PROVIDE FOR AGREEMENTS WITH COOPERATIVE ASSOCIATIONS AND PROCESSORS

Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Agricultural Products Cooperative Marketing Act, 1939, to provide for agreements with cooperative associations and processors, and to provide also for the calculation and payment of liabilities of the minister under any agreement and for the payment of administrative expenses.

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

Motion agreed to.

NATIONAL DEFENCE

EMERGENCY MEASURES FOR IMMEDIATE EXPANSION OF MILITARY AND AIR FORCES

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I wish to announce to the house that certain further military measures have been considered by the war committee of the cabinet and approved by the government. These measures will call for the immediate expansion of the military and air forces of Canada. This will be done by the raising of additional rifle battalions and air force personnel, and through the establishment of reserve companies of veterans, in addition to the veterans home guards already announced. Further details of these arrangements will be given by the ministers concerned.

I might add that these are emergency measures to meet the critical situation which has developed suddenly in Europe in the past fortnight. In the light of events it is necessary to have regard to all possibilities and, in so far as it is able to do so, the government is seeking to take account of every possible situation that may arise.

In announcing these measures the government believes it can count upon the wholehearted cooperation of the Canadian people to see that they are carried through with complete success. It should be understood now that with the many urgent demands we have had to meet we will not be in a position to provide complete equipment at once for every new recruit. At the same time I can give an assurance that the ministry of munitions and supply will meet our requirements at the earliest possible date, and with the cooperation of industry and labour our factories will work night and day to supply our needs.

Mr. HANSON (York-Sunbury): Will the Prime Minister indicate the extent in numbers to which the new forces will run?

Mr. MACKENZIE KING: One of my colleagues might answer that question.

Hon. NORMAN McL. ROGERS (Minister of National Defence): So far as the military forces are concerned, in the statement made by the Prime Minister reference was made to the organization of reserve companies of veterans to supplement the veterans home guards already announced. We have not as yet determined the number of these reserve companies which will be required. That will be a matter for consultation with the various military districts.

I may say that in order to assist in the training of these reserve companies it is proposed to attach to each district headquarters a group of veteran officers and noncommissioned officers whose services will be made available to the veteran companies as required.

In addition to this, a special training course will be established which will be available to senior officers of the Canadian active service force, and a quota of veteran officers from each military district in Canada under the age of fifty years who wish to take a refresher course to qualify them for any further duties that may be required of them.

Now, more specifically as to the Canadian active service force: in addition to the third division we propose to recruit additional defence units which will include at the outset all the rifle battalions of a fourth division. These will be recruited in addition to the third division and the ancillary units required for the formation of a Canadian corps.

Hon. C. G. POWER (Minister of National Defence for Air): With respect to the air force, the government, through the Department of National Defence for Air, proposes to call up for service immediately some thousands of young men whose names are already on the lists of the department.

Some have been waiting for a considerable time. We now propose to call them up in order of priority of their application, incorporate them in the Royal Canadian Air Force, and give them general duties to perform. They will be taught to drill and given such education in the duties which they will afterwards be called upon to perform as craftsmen, pilots, observers and gunners, as can be given in advance of their being placed in the schools to which they are ultimately destined.

For the time being they may be called upon to do guard duty in the camps, or to carry out the training of an ordinary infantry or machine gun unit. It is possible that some of them may complain that they will not be immediately put to work in the trade or craft in which they aspire to become efficient, and may not immediately receive the emoluments to which they would be entitled under the regulations regarding tradesmen pay. But I would like to emphasize certain points in this connection.

The first is that the government believes that much of this excellent material, practically the best of our young manhood, should be mobilized rather than allowed to kick its heels about waiting until the time comes for them to be fitted into a particular trade, profession or category. Under these proposals they will

at the earliest possible moment be placed in such conditions of discipline and availability that no matter what circumstances arise they can usefully and promptly be employed.

I should also like to make this observation: The men whose names we have can be roughly divided into two main categories. First, those who are now employed as tradesmen in useful or essential war work. Where such is the case we shall request them to remain in their present employment for the time being. Meanwhile they will be issued with a badge of recognition indicating that they have offered their services to the Royal Canadian Air Force and are liable to be called at any time. Second, with respect to the others, that is those unskilled, or skilled but unemployed, their services will be utilized either in a military capacity or, if sufficiently proficient in their trade, in a service unit.

Accommodation is or will be made available shortly. The necessary personal equipment is in hand and the details of the plan are being worked out so that in a very short space of time approximately 5,000 vigorous, capable, energetic, young Canadians will be undergoing training for any emergency.

Mr. HANSON (York-Sunbury): Mr. Speaker, allow me to congratulate the government upon getting into action at last. Just a week ago to-day, from this place, I took the occasion to say, if I recall correctly, that it needed some major disaster to get Canada into action. That time has now arrived.

May I say to the Prime Minister and to his colleagues that the whole country will be behind him in his effort. The young men of this country who have been anxious to serve will flock to the colours in the time of Canada's peril.

WAR APPROPRIATION BILL

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

The house resumed from Friday, May 24, consideration in committee of the following resolution—Mr. Ralston—Mr. Fournier (Hull) in the chair:

That sums not exceeding $700,000,000 be granted to His Majesty towards defraying any expenses that may be incurred by or under the authority of the governor in council during the year ending 31st March, 1941, for—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measures deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

With provision also empowering the governor in council to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money, not exceeding in the whole the sum of $700,000,000 as may be required for the purpose of defraying the aforesaid expenses, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

Mr. PERLEY: Mr. Chairman, I am pleased to know that the war veterans are to be called into action and given an opportunity to serve the country. Thousands of them are anxious to do so, and a veterans' home guard is to be set up, but I do not believe that a force of 3,000 will be at all adequate to give the protection which the force will be supposed to provide. It amounts to 250 for each military district. I am sure as regards military district No. 12 a force of 250 men will not meet the very serious situation there.

I assume that this question should be directed more particularly to the Minister of National Defence (Mr. Rogers). I should like to ask him how it is proposed to equip this guard. Is it intended to use the units, batteries or whatever they may be, which have been carrying on since the last war in the different districts? Their officers have been going into summer camps with their men and have done wonderful service for the country in keeping these organizations intact. Are these local units to be utilized?

I should also like to know whether consideration has been given to using the various armouries throughout the country. I have particularly in mind my own province, and more specifically my own constituency. In the Qu'Appelle riding are four armouries, one each at Moosomin, Indian Head, Broadview, and Grenfell. They are splendid buildings and they have not been used very much in recent years, but I think they should be used now. Possibly certain small units could be located there and given training with the officers whom they have ready to take on this work. I should like the minister to inform us whether he proposes to give these local units an opportunity to serve in this way, and to utilize the accommodation which I have mentioned.

There is, of course, considerable agitation in the public mind to-day. I do not believe it can be said that the numerous meetings which have been held in the various parts of Canada in the last two or three days have been organized by agitators. It seems to me that the public mind is shifting and changing quickly as the theatre of war and the course

of war are changing rapidly in these days. It is important that this guard be set up as soon as possible to meet any difficulties that may arise. I should like to have a statement from the minister with respect to the armouries in question and as to the extent to which the local units will be used.

Mr. ROGERS: My hon. friend has asked first as to the organization of the veterans home guards. He will recall that it was stated at the time the announcement was made that twelve of these units would be formed in the various military districts across Canada and more as circumstances should require. He has asked next as to the way in which these units will be uniformed and armed. They will be uniformed and armed as a military force; that is the intention of the department in that respect. He has also asked whether the formation of these veterans guards will prevent the full utilization of the non-permanent active militia units, which I fully agree with him have done splendid work in past years in training for the time when their services might be required. I can see no reason why the formation of veterans home guards should interfere at all seriously with plans for the training of these non-permanent active militia units.

With the formation of the third division and the calling up of battalions of the fourth division, the number of the non-permanent active militia units not mobilized will be proportionately decreased.

As to the use of armouries, I agree that there is merit in that suggestion and I shall be glad to pass it on to the officers of the department for further consideration.

Mr. HOMUTH: I do not wish to delay this matter unduly, but I was at home over the week-end and I made it my business to go and talk to different people in order to get some idea of how they feel about the whole situation. Several resolutions have been passed by different clubs in our district, municipal councils, service clubs and so on, and there appears to be a general fear on the part of the people of the so-called fifth column, the subversive element. The people are afraid that in the last few years various persons may have entered the country ostensibly for good reasons but really in the guise of agents of the fifth column. In other words, there is felt to be a danger of the enemy within the gates.

The general feeling among the people to whom I spoke is that one way of overcoming this trouble is to have a national registration of the men and women of the country with a view to having a list of those available for war work. It may be possible that before very long we shall have to move mechanics from one industry to another to speed up the production of something that may be necessary, or we may have to retain in a particular industry certain men employed therein and prevent them from enlisting. Such a registration would give us a knowledge of the birthplace and nationality of every man and every woman in the country and would assist to a large extent the work of the local police and of the mounted police in looking after those who may be regarded as coming within the class of the so-called fifth column. There is a real fear on the part of the people. There are a great many of these enemies at large in Canada. The Minister of Justice (Mr. Lapointe) the other day said that we must be very careful lest we arrest anyone unfairly and put him in an internment camp, or bring down upon his head the condemnation of the local citizens. Personally I would rather see a dozen people unfairly interned and given an opportunity to prove their loyalty afterwards than take a chance on one of them running at large and doing something against the interests of Canada or of our loved ones. One of the most important parts of our war work—and it is only under this vote that we can ask these questions and get this information—would be a national registration in Canada of every man and woman over the age of sixteen.

Mr. POULIOT: As the hon. member knows, a census is taken every ten years, and the next census will be in 1941.

Mr. HOMUTH: That will be too late for our war effort.

Mr. POULIOT: Is the hon. member prepared to suggest that the census be taken now?

Mr. HOMUTH: Quite.

Mr. POULIOT: Is he prepared to have it taken this year instead of next year, and the necessary changes involved made at the same time? Of course there is a fifth column in this country; we see its activities in the propaganda that is going on. But there is also a sixth column which has not been mentioned yet; it is the column of civil servants who have no public spirit and who think only of themselves.

Mr. HANSON (York-Sunbury): Order.

Mr. POULIOT: I would ask the leader of the opposition to keep quiet. Many of these people were appointed by the government of which he was a member from 1930 to 1935. They were appointed under the guise of Tories

but now they are neither Tories nor Liberals; they are selfish and are a public nuisance, and they shall be denounced in this house.

The hon. gentleman thinks that at last the government has done something. Let me tell him that at last he recognizes it. Of course, he bears illustrious initials, those of R.B., but I may tell him that he is not the first leader of the Tory opposition party that I have seen here. When I came here that great genius, the one who is the leader of the Tory party in the senate, occupied the very seat in which the hon. gentleman is now sitting, and he went to the electorate in 1925 and was defeated. He returned in 1926 and was defeated again. Very few of those gentlemen that were here then are on the front benches now; they were got rid of. That gentleman at that time was got rid of as Jonah got rid of the whale. I would not say he was thrown overboard; there is an expression I would not use in this house although it is the king's English. Afterwards I saw another gentleman who was there pro tempore, Mr. Guthrie, a former Liberal, who left Laurier on the question of conscription during the war to become a minister in the so-called union government. He was a delightful man, just as Mr. Meighen was—very delightful people; but he made a great mistake while addressing a Tory gathering which was supposed to elect a big chief for the party. On that occasion he said, "The Liberal party, whom I led in the house during the last session," and everyone laughed, because he was addressing not Liberals but Conservatives. Then they went to Winnipeg, and as chairman of that convention they appointed my dear friend the member for Davenport who asked for conscription of wealth.

Some hon. MEMBERS: Order.

Mr. RALSTON: I know that the hon. gentleman realizes, perhaps as well as any one else in this house, the extent to which debate may go particularly in committee. I know that he sometimes becomes quite enthusiastic over certain subjects and there are times when, speaking for myself, I enjoy very much listening to him. But I do want him and the committee to feel, as I am sure we on the government benches feel, that there is a war on and that we are engaged in the consideration of what is without any doubt the most important subject that will come before us at this session. I would say to the hon. gentleman, if he will permit me to mention him, and I think I can include other hon. members, as those of us on the government benches, that we ought at this critical time to stick to our knitting so far as this particular resolution is concerned. It deserves the fullest and most undivided consideration possible, if we are to accomplish the object we all have in view.

Mr. POULIOT: Mr. Chairman, I will not insist on matters that are known to those who have studied politics in this country, but I will remind my friend the Minister of Finance of one thing, that when in the course of the discussion on this resolution some members of the other party were advocating national government nobody objected to that, and I do not see why I should not say a few words to show the futility of advocating a national government, with such leaders, when this government is doing very well. It was in answer to what has been said, not on this bill in committee but on this bill while the Speaker was in the chair, and it is exactly the same discussion because we are discussing the same bill. But I shall not say any more now until someone from the other side repeats the same argument; then I could reply to the satisfaction of every hon. member of the house, including you, Mr. Chairman.

Now, sir, I consider the matter of war just as seriously as the leader of the opposition, the Minister of Finance or anyone in this house, I consider it very seriously; on the other hand let me tell you, sir, that it is no use having long faces in the house. We are doing our best as members of parliament and we do that very earnestly, sometimes at great sacrifice, but we do it just the same for the sake of our country. I will not tolerate any jeer from the leader of the opposition or any other Tory member, whether he is a Tory or a Conservative—"Conservative" is a mild expression for an opposition member, but "Tory" is a strong expression. I will tolerate no jeers or jokes from any of them, and any one of them who jeers will have the same treatment as their former leader the Right Hon. Mr. Bennett had from me when he was leading their party. This is not a threat; it is just a warning.

I congratulate the Minister of National Defence upon instituting the home guard. Of course for a time there were returned men on guard at the railway bridges; they were paid, I am told, by the railway companies. But they should be in the service of this country and should receive uniforms and arms from the Department of National Defence. The protective branches of both railway systems in Canada should be attached to the Department of National Defence for the duration of the war. In my constituency there are many returned men ready to serve in that capacity; some of them had been wounded, some of them receive pensions, but all of them

had a good record during the war and are ready to serve their country to the best of their ability. Their offer should be accepted; they are the very best men to guard bridges and public buildings. One remembers that on two or three or four occasions very young men with no experience in the carrying of rifles were put in such positions. What happened? Some were killed; some others met with accidents. They had no military training, so that they were not as competent as returned men for such positions. Therefore I congratulate the minister very warmly. And if any new recruits are placed on the home guard they should be placed with returned men who have had military experience, in order that they may get their military education and serve the country better. The men employed by the railway systems who were guarding bridges did not wear military uniforms. Those to whom this duty is assigned should wear military uniforms with a badge to distinguish them from men who belong to the regular army. This is very important because they might have to make arrests. Being in uniform they will inspire more respect in people who come in contact with them.

I also congratulate the new Minister of National Defence for Air on the very important post to which he has been appointed. May I tell you, sir, that among the rural members I am probably the one who has recommended the largest number of young men for the air force. The Minister of National Defence knows about it. Many of them are excellent aviators and are doing their duty faithfully. Some have been turned back an account of lack of education or some minor deficiency. They could be used otherwise, as has been mentioned; they could work on the aviation fields; they might be used as gunners or in other capacities, because they are ready to serve their country.

But there is another thing, sir, concerning which I will put the department on guard. It is that at times when the medical examiners go down to the rural districts they tell those who come to enlist that if they do not pass their examination they have only to see the member in order to get a position somewhere else. This is unfair. The present Minister of National Defence for Air has admitted that it is unfair to tell them something that is untrue. If a man does not succeed in passing his test I do not see why anyone, whether it be the officer in charge or the medical attendant or anyone else on the board, should tell him that he can get a job by asking the member, when everyone knows that the member has nothing to do with the distribution of such jobs during the war. The minister will agree that my request is only fair. If I had time I would show a certain file I have which would prove to him that this has happened in my own constituency.

There is a very important thing that must be said about war, and it has been said by the leader of the opposition, who was not wrong that time. It was said at twenty minutes past four on May 20. "This," he said, "is a time for clear thinking and straight talking." It was a most appropriate remark. Here we are, all of us, ready to do our best. Just a moment ago I was speaking about the Tories; let me tell you, sir, that there is not a single Tory that I dislike—but I hate Toryism. If the war is carried on on the sound and sane principles of Liberalism, the principle of liberty, the principle of decentralization, which is part of the order that must reign in the army as well as in the state, then everything will be the better not only for the army but for the country. And we should never base our discussions on words. We must use words in discussion, that is evident; but we must attach more importance to facts than to words. Every discussion should be objective, not subjective. Before blaming any member of the government for anything that is done in connection with the carrying on of the war or the administration of the domestic affairs of this country an hon. member, in order to avoid committing any injustice, should try to get accurate information as to what has been going on.

Hon. members opposite may be surprised, at times when their privileges are denied them, to find that while I do not share their views on many points I am ready to fight for the respect and maintenance of their privileges as well as my own. On the other hand, sir, there should be no party politics in this matter. Neither should there be any spirit of self-sacrifice, and perhaps I should explain that remark.

Mr. BROOKS: Don't bother.

Mr. POULIOT: Of course I admit that everyone is making a sacrifice to be here at this time; of course we must make most difficult decisions, but my hon. friend from Royal will understand me, as I hope other hon. members will, when I say that I do not see the use of coming here with the Isaac attitude of immolation on the altar of the country. Some members, according to their speeches, are ready to immolate themselves. That is like suicide, you see; it may be a kind of sweet death, but they will be of no further use to this country. I suggest to hon. members opposite, as well as to those on this side of the house, that they be more friendly than ever on all matters that are not strictly partisan questions. I suggest

that they carry on their discussions in a friendly spirit, looking to the common good; and of course if they sacrifice themselves on the altar of their country there will be nothing left of them. I want them to be here. I am never so happy as when I hear an hon. member opposite offering a constructive suggestion. It shows that the hon. member, even though he belongs to the opposition, is really trying to help this country. While I very seldom share the views of the hon. member for Waterloo South, I congratulate him on what he said a moment ago. So, sir, would it not be possible for all hon. members to your left to have a brotherly spirit in time of war and to realize that even though we do not believe in their glories of the past we are ready to work with them to try and reach a common goal for the good of this country in the future?

There is something else I should say as well. War is a very sad thing and the heart of each member bleeds when he thinks of it. But the earth will not cease to turn on account of the war, and we must look after our own problems in the most efficient way. I can assure my hon. friends on the treasury benches that the Liberal members are ready to give their support to the government in all reasonable measures, as I presume is the case with members of the opposition; but our work as members would be made much easier by the civil service. I should like to mention the action taken by the premier of one province who decided to do all he could for the local members. He notified the civil service of that province to be most obliging to all members of the provincial house when they required information or assistance, and said that any civil servant who did not comply with that rule was to be reported immediately to the premier. That, as I understand it, is the way government should operate. The civil service is maintained at a tremendous cost to the country. A member of the staff of the bureau of statistics estimated that during the last twenty years the federal civil service had cost the country over a billion dollars. We spend a great deal of money on the civil service, and we expect service in return. They must be told to respect parliamentary institutions and to be prepared to help members of the House of Commons as well as the government.

I hope, Mr. Chairman, that I will not have to say anything more along this line; I trust this warning will be sufficient for those who deserve to be named in this house and censured very severely if they continue their work of obstructing our parliamentary functions. Having said that, and hoping that such obstacles will be removed in future, I am ready to do anything possible to help the government as long as it is on a sound basis and as long as no one loses his head.

Mr. BROOKS: I should judge that the hon. member's help has always been on a sound basis.

Mr. POULIOT: That is my wish, but very often I make wishes which are not fulfilled. We will wait and see, Mr. Chairman, and in the meantime we will support the government; but if there is anything wrong in the discussions that take place in this house or if we have any more trouble with the civil service, you will hear further from me.

Mr. FRASER (Peterborough West): Mr. Chairman, I am not going to talk politics, as did the hon. gentleman who has just sat down, though I am very glad he mentioned constructive ideas from this side of the house.

Mr. POULIOT: One idea.

Mr. FRASER (Peterborough West): Many ideas; in fact it has been the loyal opposition that has forced the government to take action. The hon. member for Waterloo South suggested that we have national registration. With that I wholly agree, and I do not mean that we should have it in 1941. I believe we should have it immediately, for this reason. On Friday in Peterborough four Germans were found on lock No. 23. One of the Germans was a pensioner from the German army, not naturalized in this country. The four included this pensioner, his wife and two naturalized Germans. They were taken to the police station; the Royal Canadian Mounted Police in Toronto were notified and they requested that the Germans be sent to Toronto as soon as possible. Half an hour later they were found at the lift lock in Peterborough. I believe that with national registration those people would be under lock and key, where they should be. That German pensioner should not be let loose in this country. I believe there should be a complete check-up, and further I think we should have a sufficient home guard to check everyone travelling on the highway. I believe we should have cards, as we had in the last war, to enable a complete check to be made at any time.

I should like to suggest to the Minister of National Defence that when he sends out specifications for 40 millimetre shell boxes, he send blue-prints with them. I understand that one firm had to send their specifications to an architect, who took two days to figure out what was what.

While I am on my feet I should like to ask the Minister of National Defence if he intends

to use the Prince of Wales Rangers of Peterborough as a recruiting unit. The men in that unit are well trained, I suppose seventy-five per cent of them having their matriculation papers. They have worked hard and they have full knowledge of the machines with which they would have to work. The same applies to the fourth field battery in Peterborough. I understand all the guns have been taken away from this unit. There are over one hundred trained men and non-commissioned officers available in this organization. I was talking to them on Sunday when I was home and they are very much put out over the fact that there has been no recruiting in Peterborough. One man said that there certainly has been a war movement in Peterborough because men have had to move all over the country to find a place where they could join up.

Mr. COLDWELL: Mr. Chairman, we have heard a good deal this afternoon about the organization of the man power of the country, as well as a suggestion for registration and so on. However, I am wondering what steps the government is taking to organize the industry of the country. I think the past week or ten days have shown Canada and the allied powers that the deficiency from which we are suffering is mainly a deficiency of machines. According to bank reports there has been some decline in our factory activities during the last few months. I have before me the monthly letter for May of the Canadian Bank of Commerce which states that there was a fall in the use of our factory capacity in the month of April and that in that month we were only using that capacity to 85 per cent of its possible output. This letter states also that a slight recession is shown in the iron and steel group, a decline being shown in primary iron and steel production as well as in the production of castings, forgings and hardware.

It may be necessary that we should concentrate upon the mobilization of man power, but I am also of the opinion that we ought to be giving a great deal more attention to the organization of our industry and finance. I rose to draw the attention of the committee to the figures shown in these authoritative reports. In the event of certain things happening in Europe during the next few weeks or months and the threatened destruction of British centres of supply, Canadian industry ought to be organized immediately to render the aid which Canada can best give. When we met in this house last September to consider our participation in the war considerable discussion occurred as to the possibility of Canada becoming more or less the arsenal of the British empire. But there has been continued unemployment in the country and much of our industrial capacity remains idle.

I think that those who produce essential materials for the war, whether on the farm or in the factory, ought to be guaranteed a proper return for their labour. The other afternoon I discussed the situation of western agriculture, but I notice that various labour bodies throughout the country are complaining that companies manufacturing equipment for the troops are not compelled to comply with the labour regulations in effect in certain cities. For example, I have before me a letter from the Winnipeg Trades and Labour Council which states that they have contractual relations with the Winnipeg manufacturers of shirts, pants and overalls. They state that they are given to understand by the local press that a firm in Portage la Prairie, which they classify as being unfair and unreasonable to labour, has been given two clothing contracts by the government in recent days. They charge that some years ago this firm moved away from a city in the province in order to escape regulations which were imposed. If these facts are true it seems to me that in making contracts the government should see at all times that labour, which is going to be asked to speed up and perhaps forgo some of its hard-earned rights, should be adequately protected. In my opinion these contracts should be given only to firms and organizations which are prepared to see that only the best labour conditions are allowed to prevail.

I rose primarily to point out that our industrial capacity is not being used. I believe the time has come when this country should be organized as they are organizing in New Zealand and Great Britain. We heard over the air the other night that the Prime Minister of New Zealand had announced that following the example of Great Britain, finance and industry in New Zealand would be taken over by the country and mobilized for the war effort of that sister dominion. I am strongly of the opinion that we should consider steps of a similar nature. As I say, we hear about the mobilization of men, but to my mind it is far more important that we should mobilize our industrial strength. Perhaps sooner than we think this country will be called upon to render substantial economic aid, which at the moment we are not prepared to give. I should like to ask the government if they are considering steps along these lines and if we may expect an announcement in the near future.

Mr. RALSTON: Mr. Chairman, my hon. friend has referred to two subjects, one dealing with industry in the broader sense and the other with regard to labour clauses in agreements. With reference to the matter of our industrial production I know that my hon. friend will not expect me to detain the committee by describing the steps which were taken at the time the war supply board was organized, when the war supply board itself was given the widest powers to organize industry in order to anticipate prospective needs in so far as they could and endeavour to provide for them. The board went on to operate under Mr. Wallace Campbell. As hon. members of the committee know, Mr. Campbell, an industrialist himself, had associated with him men who were prominent in industry and who, I am sure, took all the steps they felt they possibly could in order to see that industry was organized. I should also remind the committee that surveys of industry had already been made and the potentialities of various plants right across the country ascertained.

Later on the Department of Munitions and Supply, which was provided for at the short session in September, was formed. What had been forecast in September came about, that is, the war supply board completed its organization and then it was decided to give this branch of the service the importance of a full and complete ministry. The Minister of Transport (Mr. Howe), is minister of this department as well but, as the Prime Minister (Mr. Mackenzie King) has indicated, arrangements are being made so that the Minister of Munitions and Supply will give his entire time to the work. I realize I may be too optimistic, but I do not think that anything has been left undone by the Department of Munitions and Supply in the way of speeding up industry in order that it may be prepared for whatever demands may be made upon it. A few days ago, before the resolution reached the committee stage, the Minister of Transport made a statement which indicated clearly what the expectations were regarding industrial production and the reason that some of the expectations were not realized. Nevertheless I can say to the committee that before the emergency arose, as well as since, increased efforts have been made to see that industry is organized in the best possible way to meet the demands which, as has been quite properly suggested by the hon. member, we may anticipate under these suddenly changed conditions. We will do everything that men can do to see to it that Canada does her full part in connection with industrial expansion.

I realize that those statements are general, but they are thoroughly earnest and sincere.

The hon. gentleman who is acting as Minister of Munitions and Supply is not in his seat today. I am sure if the committee desires further information in respect of this point he will be glad to give it. An opportunity will be afforded when the bill which is to be introduced is in committee.

I say this because, as pointed out already by the minister, the doors of the Ministry of Supply are always open. He wants to give the house and country all the information which can possibly be given. I know that in the Ministry of Supply are men who are there for one purpose, and one purpose alone. They are not there as partisans or even as civil servants; they are not there as people who have taken jobs, in the sense of obtaining salaried positions, but they are there as private citizens who have had experience and who have come in in an endeavour to help produce the greatest efficiency in the department.

The hon. member has touched on two branches of activity which are vitally important. One branch is connected with the day to day purchases of supplies which from time to time have to be obtained to equip our forces. In connection with that branch of the work, as pointed out by the minister, contracts to the extent of something like $225,000,000 have been let. In all there are about 17,000 contracts. Then there is the other branch, one which is perhaps more important now, namely, the matter of the organization of industry, and seeing to it that raw materials, machinery and things of that kind are available in order that whatever demands may come we shall be able to meet them. May I tell the committee that I know of unusual, indeed extraordinary, steps which have been taken during the last ten days in the matter of government administration? They were steps which were regarded as necessary in order that we may try to ensure that essential supplies and raw materials are available.

I think the committee will find that in other respects the Ministry of Munitions and Supply has been just as zealous.

I am sorry I cannot inform the hon. member respecting the matter of the labour clauses in the agreements. I feel certain that the clauses are those prescribed by the Department of Labour. However I shall be pleased to get that information at a later time, because I notice that the Minister of Labour is not in his seat at the moment.

Mr. LEADER: The hon. member for Rosetown-Biggar (Mr. Coldwell) referred to an industrial firm in my home city of Portage la Prairie and quoted from evidence he had received from Winnipeg indicating that the

firm in question had violated some of the ethics connected with labour regulations. I want more evidence than the hon. member has submitted to-day. I should like to know the name of the firm and the name of the person in Winnipeg who protested. At a time like this we should not split hairs; we should be prepared to use not only the factories in the large industrial centres but also those scattered throughout the smaller towns. One of the greatest evils in Canada is that too many of our industries have been centralized. I say they should be scattered so that the smaller cities and towns may have a chance.

I presume the hon. member was referring to the Green manufacturing plant at Portage la Prairie. I went to some trouble to find out if that institution could have some work. They submitted a tender which was accepted. I would say to the hon. member that I have heard no complaints respecting the labour regulations, and I believe Portage la Prairie would be glad to see more of these factories established in their city.

Mr. HANSON (York-Sunbury): The hon. member for Waterloo South (Mr. Homuth) has directed what appears to me to be an important question connected with the situation which has developed within the last few days. Is the Minister of National Defence prepared to recommend national registration of man power in Canada, and a comprehensive survey of the availability and suitability of industrial activity to help win the war? I believe the hon. member is to be congratulated upon having brought the matter before the committee, and in my view the minister should make a statement with regard to it.

Mr. ROGERS: I was not aware whether the question had been directed to me or to another member of the government. As a matter of fact national registration affects not one department alone but all departments having to do with the military forces and the mobilization of industrial activity. The question of national registration has engaged the attention of the government and has received the careful study to which it is entitled.

Mr. HOMUTH: The reason we have a crisis to-day is that certain nations in Europe have regimented the bodies and souls of their people. We can fight them only if the people who are arrayed against that vicious philosophy are prepared to stand for the same kind of regimentation. At the time of the last war we had national registration. People were told to appear at certain points within so many days for purposes of registration. The same could be done again, if the government were prepared to notify the people through the medium of our newspapers and the radio.

We have just gone through an election. The returning officers in Canada have practically complete lists of all people over twenty-one years of age in the various constituencies. If the government said that those people must appear within a certain time for purposes of registration, and that they would be given a card, a copy of which could be filed by the authorities, the whole procedure could be carried out in no more than two weeks.

The people of Canada are in a temper wherein they want to do things. They want to know what jobs they can do best. They want to know where they can be placed to help in the war effort. At the risk of repetition I would point out that through the national registration we would have an opportunity of checking up on those influences in Canada which within a very short time might become very dangerous.

Mr. ADAMSON: The Canadian Institute of Mining and Metallurgy, the Engineering Institute of Canada and the Canadian Society of Chemical Engineers were all registered shortly after the beginning of the war. At that time every technical man voluntarily registered to serve his country wherever he could be of service.

A few days ago I attended a meeting in Toronto of the Engineers' club, and from what the chairman said I understand that only two of all the engineers in Canada had been called up. May I point out to the Minister of Finance and to the Minister of National Defence that the entire technical population of the Dominion of Canada has recorded itself as ready and willing to serve. I would suggest that the government give immediate consideration to the voluntary effort made by those people.

Then there is one further point to which I would direct attention. In my constituency over the week-end I was besieged by people giving me information about the state of the production of armaments in Canada. Is the minister prepared to tell the committee how many Bren guns have been produced, and—unless he would consider this as not in the public interest—whether the Bren guns so far produced have been satisfactory? I may add that it will be one of the happiest moments of my life if the minister can stand up and say, "We have a large quantity of Bren guns, and they are satisfactory." One thing more: Are we producing any 25-pounder guns, any anti-aircraft guns, and what is the production of small arms ammunition and of field ammunition?

As I sense the feeling in Canada, the public are vitally interested in actual production, in

what is going on. The allies are crying out for help, and if the minister can say that we are doing something, nobody will be more pleased than myself.

Mr. ROGERS: I thank my hon. friend for the manner in which he has put his questions to me. He will understand that I would not wish to give him specific answers to such questions until I can be very sure that my information is correct. I made that proviso, as it were, when I spoke in the course of the debate a few days ago, that I would try to answer such questions as I could when they were put to me, but if I was not certain of the answers I would hold them in reserve until the necessary information could be secured.

I would not like to say to my hon. friend that it would be in the public interest to give all the information that he has requested, but I shall take note of the questions and shall advise him if they can be answered in this house. It may be preferable, if it does not appear that the information should be spread upon the pages of *Hansard*, that I should give him the information myself.

Mr. HANSON (York-Sunbury): I should say that the minister could at this moment give, as a general statement, information as to whether we are producing Bren guns.

Mr. ROGERS: I shall be very glad to make a statement upon that matter, possibly this evening.

Mr. SENN: There is one phase of Canada's war effort which has not been very fully discussed in this debate. I was greatly interested and pleased with what the Minister of Finance (Mr. Ralston) has had to say about the way in which our war effort, in the production of munitions and war supplies of different kinds is being conducted But there is another class of production which is very important, namely, that of foodstuffs for the allied armies and for people living in the countries that are at war. It may well be that foodstuffs will be one of the deciding factors of the war.

Last Thursday evening the Minister of Agriculture (Mr. Gardiner) spoke in this debate. I believe his reason for speaking was to outline the manner in which the government has been attempting to organize agriculture for the production of war materials in the shape of foodstuffs. I listened attentively to his statement. He told us that an agricultural supplies board had been formed, and with it certain committees or boards had been appointed by the provinces. He also told us that a great deal of propaganda had been disseminated in the country by way of press reports and pamphlets.

I know a number of the men who are on these boards. I regard them highly; I believe they are efficient in their particular line; but I feel, in common I believe with many other members as well as with a great many farmers, that if we are to produce to the fullest extent the classes of commodities which will be required, we must give more attention to agriculture. It takes a considerable length of time for the farmer to produce. After he has made his plans a year or more must elapse before he can place his goods upon the market. Mother Nature cannot be hurried and cannot be changed in any way. Springtime is the time of seeding, and when springtime is over no plans for speeding up agriculture in the required lines can be made before another year.

For some years the farmers of Canada have been treated to a surfeit of pamphlets; indeed things have come to the stage where in a great many cases when pamphlets come to a home they are dumped in the wastepaper basket or used for some purpose other than a source of information. Frankly, I do not believe that Canadian farmers know to-day exactly what is required of them or will be required of them in the future. Only one body can ascertain these requirements, namely, the government, and its agricultural supplies board, who are in constant communication with the allies overseas and no doubt receive recommendations from time to time as to what should be supplied in the future. Perhaps those requirements will be changed from time to time with changing conditions. But I believe that the government and the agricultural supplies board could have gone much further in their efforts to acquaint the farmers with what will be necessary if we are to produce the foodstuffs which will be required in days to come in Great Britain and France and even in our own country.

The minister spoke about the bacon board and about the sale of bacon to Great Britain for the year ending, I believe, October 31. I regard that agreement as a very good one. It fixed a price for the year for Canadian bacon in England, and I believe that when it was announced the impression went abroad that the farmers were to receive a stated price for their live and dressed hogs. Unfortunately for the farmer—unfortunately, I think, for the country as well—he has not been receiving a fixed price for some time past, and at the present time every indication seems to be that prices will be again lowered or he will be well below the nine cents which the farmer was supposed to receive. Nothing in the world will discourage production more than to receive prices which are below the cost of production. Last fall, when the farmers

were apprised of the price they would receive, they made certain commitments and certain arrangements; and they are finding out now that when their finished product comes on the market they are receiving well below the price they expected to obtain.

Again, the Minister of Agriculture announced the other day that a sale of cheese had been made to the British Isles. I am not going to discuss at the moment whether the price was adequate. As nearly as I can figure, it will mean that if the farmers receive the full benefit of that price they will be getting something less than a dollar per hundred for their milk, or well below the cost of production if we can believe the estimates and the reports of surveys which have been made by government officials from time to time. I will not pursue this any further except to say that the farmer is not in a position to continue to produce at a loss. He is just as loyal as any other man in the community or in the country. He does not want to reap big profits at this time of the nation's danger. But he must be in a position to produce without taking a loss.

In his speech the other night the minister gave figures which showed that the price of farm commodities is well below prices of other commodities, and there has been very little relative change since the war began. To-day the farmer is not in a position to produce at a loss; in too many instances he has not any cash. If he remains in this position, if his product continues to be sold at prices less than he expected and was led to believe he would receive, there will be an immediate effect on production: the farmer will produce less of that particular commodity. I suggest to the minister and to the government that the time has come when definite plans should be put before the farmers of this country. More than that, the time has come when they should have some definite assurance that they will receive a reasonable price for the products which they are asked to produce; otherwise the organization which has already been effected will not be satisfactory.

I would ask the minister to enlarge upon the statement he made the other evening if he is in a position to do so. He told us about the agreement made with the British supply board for the sale of bacon. Was any agreement made between the Canadian packers and the bacon board or the Department of Agriculture as to the price that was to be paid the farmers of Canada for live hogs or dressed hogs? Is there any guarantee that the price for cheese at Montreal, announced the other day, will be uniform for the time that this contract is in force? It goes until October 31, or later; I am not sure of the date. I am not asking for this information in any critical spirit, but I think the farmers are entitled to know, and if they do know and are given an assurance of some kind I believe they will carry on with better heart and grace than otherwise.

Mr. GARDINER: In answer to the last question, whether the price for cheese of 14 cents for the first grade, 13½ for the second and 13 for the next grade, is to continue for a given length of time, I can only say that it will continue for the full period of the agreement. The only change that could be made would be a change upward as a result of a further conference with the British government. The price stated in the agreement is the lowest price that will be paid during that time, but from all the conditions that obtain I rather fancy that it will be the price prevailing throughout the length of the agreement.

Mr. SENN: Is that the price paid to the shipper or to the farmer?

Mr. GARDINER: The price which the farmer will receive back at his own farm will be between 13 and 14 cents. This is the price on board at Montreal.

Mr. HANSON (York-Sunbury): That is to the shipper?

Mr. GARDINER: Yes. It is the price the dairy board receives from the food ministry at Montreal. As regards the question of the agreement on bacon, I attempted to explain the other night that the price which the government have secured through the food ministry of Great Britain works out at $18.01 per hundredweight of one hundred pounds. The price which was guaranteed at that time to the packer was $17.29, which left 72 cents to be put into a fund to be used for paying on storage or to assist in giving a better price to the farmer later on. The developments of this spring which made it necessary, because of conditions on the local market, to reduce the price to consumers as well as to producers within Canada have brought about an adjustment of the arrangement with the packers. The packers are now paid half a cent per pound, or 50 cents per hundredweight, less than they were receiving during the winter months. That means that 50 cents more per hundredweight is going into the fund which will be used later for one of two purposes, either to pay for storage or to pay the producer a greater amount for his product later on.

Mr. HARRIS (Danforth): Mostly storage.

Mr. GARDINER: Very largely storage, as conditions exist at the present time.

The other question was whether in the agreement any arrangement was made to pay a definite price to the farmer or the producer of hogs. In the agreement no arrangement was made to pay a definite price to the farmer, but I may indicate what the hope was—it would be a fairer way of putting the matter than to say it was stated by anyone that there would be a set price to the farmer. It was hoped when the agreement was being negotiated that it would be possible to arrange for a definite price to be paid to the farmer, and when the agreement was made, when the negotiations were proceeding between the board and the packers, it was considered both by the board and by the packers, and I believe by those who represented the producers from different parts of Canada on the advisory committee, that under all the circumstances it was best to proceed on the price which then prevailed on the local markets across Canada, which was a little higher than could be arranged for if the price had been based on the amount that was being paid to the packers for bacon under the agreement. They allowed that price to go on and it continued at about that level until approximately the first of April of this year, so that there was no reason, down until that time, to give the matter further consideration, because the price could not have been set higher than it was on the local markets.

I cannot state all the reasons why that price was a little higher, but one of the main reasons was the importation of United States pork products into Canada. That probably turned out to be one of the main reasons why the price went down eventually on the Canadian local market. There had been a volume of United States pork products brought into Canada, and that probably had as much to do with reducing the price in the home market as anything else, unless it were the larger production of hogs in Canada during the year than anyone had expected, in spite of the information which we had last fall.

Another question raised in the remarks of my hon. friend was whether the farmer has had sufficient information and direction in the production of foodstuffs. If we are to answer the question upon the same basis as that upon which we are attempting to decide whether or not things were done properly in other directions, then we shall probably decide the question upon the basis of the results, and I would call the attention of the committee to two tables which I placed on *Hansard* the other evening, showing the results. These tables answer the question fairly well. At page 167 of *Hansard* there is one table showing that in every single product, with the exception of the number of sheep and lambs, and honey, the production of farm products from one end of Canada to the other in every branch of the industry was very much greater up to December 31, 1939, than the preceding five-year average. Later on I placed on *Hansard*, at page 178, another table showing stocks of farm products in storage around May 1. This is after eight months of war. After eight months of war there is in storage more of every farm product, except veal, cheese and potatoes, than there was on the same date in 1939 or 1938, and more of most products than at the same date in 1937.. These two tables answer the question fairly conclusively. In the first place the production is high, and in the second place the amount of the different food products in storage is very much higher than usual. In other words, we have the food produced and we have it in Canada for marketing. If one desired to go further he might ask, Is not the matter of the high storage due to the fact that we have not sold the products?

Mr. HANSON (York-Sunbury): To lack of consumption.

Mr. GARDINER: Yes, that is the assumption. On page 172 of *Hansard* will be found another table showing the volume of food products that we sold to the United Kingdom in each of three years. Of wheat, for example, we sold during 1939-40 from September to March inclusive, 54,886,146 bushels in the form of wheat and flour. For the previous year the figure was 57,361,894 bushels, and for the year before that it was 46,459,977 bushels. So that during those eight months, the period of the war, we sold nearly as much as in the preceding year. I would not compare this year with 1937-38, because that was one of the lowest wheat yield years we have had for a long time, but this year compares favourably with 1938-39 when there was more than an average crop.

Of barley and oats our sales to Great Britain were very low as compared with those of the previous year.

Of bacon and ham our sales were 1,613,143 hundredweight in the eight months September to March as against 950,000 hundredweight in the year before and a little larger amount in the year before that. So we have sold to Great Britain during this eight-months period nearly double the amount of the preceding year, and we still have more in storage.

Mr. ROWE: How much United States bacon is in storage in Canada at the present time?

Mr. GARDINER: There is very little, but there is some Canadian bacon that would not have been there if we had not brought in United States pork. It is largely pork that is brought in and some of the pork brought in is converted into bacon here, but there would not be any considerable volume of United States bacon or pork products in Canada in storage.

Mr. ROWE: Did I rightly understand the minister to say that the consumption of bacon and pork products in Canada had been less in recent months?

Mr. GARDINER: No, I did not mean to say that. I do not think it has been less.

Mr. ROWE: I wondered whether the effect of the United States fat bacon had been to spoil the appetite of people for bacon.

Mr. GARDINER: No, I think the consumption is at a higher rate at present than for some time past, probably due to the programme put on to increase consumption.

Then, as to exports again, lard is down, dressed poultry is down, butter is down slightly, cheese is up. The export of cheese to the British market is considerably higher than for the same period a year ago. Apples are down from 2,490,861 barrels in 1938-39 to 1,178,802.

Mr. HARRIS (Danforth): If the minister has the figures, would he put on record how much lard is down?

Mr. GARDINER: Lard is down from 74,115 hundredweight to 13,525 hundredweight.

Mr. COLDWELL: What are the figures for butter? The minister said it was slightly down.

Mr. GARDINER: The butter figures are greatly down, from 88,800 hundredweight last year to 1,972 hundredweight. I should have said eggs are down slightly; they stand next to butter in the table. Eggs are down from 1,129,888 dozen to 903,240 dozen.

Cheese is up from 459,136 hundredweight to 539,411 hundredweight. Apples are down to a little less than half of what they were in the preceding year. But canned apples are up from 8,978,215 pounds to 24,375,945 pounds, and canned pears are up from 6,032,000 pounds to 21,927,000 pounds. Total canned fruits are up from 18,000,000 pounds to 54,000,000 pounds, or about three times as much. Total canned vegetables are up from 52,000,000 pounds to 138,000,000 pounds. Honey is up from three million pounds to five million pounds.

So of many of the food products Great Britain has been taking about the usual amount and of some much more than the usual amount, of others considerably less. But I think these tables fairly well indicate that the farmers have been producing the food products that are going to be required, that these food products are in store in considerable volume, and that we have been selling most of the important food products to Great Britain as formerly. I believe, moreover, that the consumption of most of the food products in Canada has also been increased. This would indicate the answer to the question. The farmer has been informed.

Mr. SENN: It is gratifying to me, as I am sure it must be to all hon. members, that we have in store at the present time such a large volume of necessary food supplies. There is no doubt in my mind that all will be needed. Undoubtedly a large number of those who have been producing food in Great Britain and in France will have entered the armies and will not be able to produce in the former quantities. I am not entirely satisfied that the figures the minister gave in regard to production in 1939 indicate that the agricultural supplies board has stimulated the farmers to produce, because this production was well under way, in fact complete, before any agricultural supplies board was thought of. The war did not break out until last fall, and every provision made last year for agricultural production was made much earlier than that.

What is required of the agricultural supplies board is that it guide the farmers to produce in the right channels. The minister referred to canned apples. We have a very large surplus of canned apples at the present time, and there is little prospect of their being disposed of by the time the next crop comes along. I feel strongly—and I only say what I am saying for the purpose of offering suggestions, not from the point of view of criticism at all—that the agricultural supplies board and the Department of Agriculture should go much further than they have hitherto in guiding farmers in the back districts as to what should be produced. The greatest incentive to greater production that can be provided is to give the farmers a reasonable guarantee that they are not being asked to produce at a loss; that the prices they receive will be at least commensurate with the cost of production. I do not believe there is any other industry in Canada manufacturing war munitions that is being asked to produce at a loss; in fact, they all have some kind of guarantee as to the prices they will receive. In certain branches of agriculture prices were pegged in days gone by and will probably be pegged again, and there is no reason why other vital branches of the indus-

try, producing goods that will be needed in Great Britain before the war is over, should not be in the same position as other industries and certain branches of the agricultural industry that have their prices pegged at the present time.

Mr. GARDINER: As to the first point, that the agricultural supplies board was not in existence in 1939, I would remind the committee that the members of the agricultural supplies board are the assistant deputy minister and the directors of the different divisions of the department.

Mr. SENN: And they are all good men too.

Mr. GARDINER: These men were all on the job all through 1939; in fact, they were appointed to the supplies board because they had been carrying on similar activity during the preceding years.

Mr. SENN: The minister would not suggest that they have not increased their efforts in any way in that regard?

Mr. GARDINER: No; they have increased their efforts, but those efforts were sufficient even before that time to improve production very much. I agree that farmers should have a reasonable return for their products, and I think the other table I placed on *Hansard*, which appears at page 168, will bear me out when I state that someone has been fairly successful in at least improving the prices of farm commodities since the beginning of the war. I do not know that the Department of Agriculture can claim all the credit; nevertheless all our efforts have been in that direction, and prices have improved.

Mr. COLDWELL: How many of the products exported to Great Britain have been sold on the basis of an agreed price? I understand that there have been discussions, and I am wondering if it would not be possible to have this large surplus, which is carried largely in the interests of the safety of Great Britain, looked after under some joint arrangement between the two countries so that the people who produce these commodities could be guaranteed a reasonable return. My constituency is largely composed of wheat growers. They do not want a price that will cast a burden upon the country, but they do feel, and I think quite properly, that they should be assured a reasonable return. I have heard that attempts have been made to negotiate a price, and that figures have been suggested to this government by Great Britain, in regard to wheat. In that country, of course, they guarantee their own producers a certain price. We are anxious to give the farmers some guidance as to the quantity they should produce, and at the same time I think they should be guaranteed a reasonable return for their labour.

Mr. GARDINER: Since the beginning of the war there has been more or less constant discussion between the British food ministry and representatives of the producers on this side in regard to both quantity and price. There has been a constant discussion with respect to all cereal products, particularly wheat, between the wheat board and the cereals board of Great Britain. No definite price has been arranged between the two, but the price paid from time to time has been as a result of those negotiations and offerings made by the wheat board in order to meet the requirements of the cereals board in the old country. As hon. members know, a set price has been arranged for bacon, ham and other pork products enumerated in the agreement. That has been operating since the middle of last November. Negotiations have been proceeding since early last September with regard to a set price on cheese, but that price was arranged only within the last week or ten days, following the discussions which were carried on all through the winter months. There have been discussions also with regard to apples, respecting not so much price as volume. Finally, the British food ministry was persuaded to accept about fifty per cent of the quantity of apples they took during the preceding year. That has resulted in the sale of British Columbia apples for export being as high this year as it was a year ago if not indeed a little higher. The sale of Nova Scotia apples has been considerably lower, while of course in any year only a small percentage of the Ontario apples goes to the old country.

The figures I gave a few moments ago illustrate fairly well what has been happening in connection with canned apples. As one hon. member said a few moments ago, we have a considerable quantity of canned apples on our hands. That is largely on account of the fact that we dealt with the situation that existed last September by arranging to can or dehydrate a very considerable part of the Nova Scotia pick. Those canned and dehydrated apples are now in the possession of the government, and negotiations for their sale of course will be carried on by the government. During the period intervening we have been exerting every possible influence to have as much as possible of the Nova Scotia crop consumed in the form of canned and dehydrated apples.

During the greater part of the winter, negotiations have been carried on with regard to the price and quantity of eggs to be sold

to Great Britain. A few weeks ago it was finally agreed in connection with eggs that it would be better to allow the market to operate much as it has been operating, and I think the results have been fairly satisfactory. The other product we have been discussing with the British food ministry to a considerable extent is poultry. Shipments of poultry to the British market were interfered with by the outbreak of war. We have not as yet negotiated a final agreement in connection with eggs, butter or poultry, but continuous discussions have been going on with regard to those products.

Mr. CASTLEDEN: Is the minister prepared to give any assurance on behalf of the government that there will be minimum prices for farm commodities, at least for the duration of the war?

Mr. GARDINER: The only answer I can give to that question is to say that I am not prepared to give an answer at the moment.

Mr. PERLEY: The minister certainly is giving us more information now than we were given in the statement he made the other evening. I was interested in his reply to the hon. member for Haldimand and also in his statement that the price of wheat had been discussed with the British authorities as far back as last September. To-day, in reply to a question appearing on the order paper in my name, the Minister of Trade and Commerce stated that the general policy with respect to the marketing of grain was being considered by the government. To me that seemed a very unsatisfactory answer. There is no doubt that farm products, particularly wheat, will play a very important part in the winning of the war. As several hon. members have stated, I believe the farmers are just as loyal and just as anxious to cooperate as any other group in Canada, but in view of what they have come through in recent years I believe they should be considered from the point of view of what is a fair price.

At this stage I do not intend to ask the government for any general statement as to their policy in the marketing of grain. Probably we shall have an opportunity later on, perhaps on going into supply or at some other time, to have a general discussion on this important question. But since that matter has been coupled with this motion, we might consider it to-day as well. In the chamber at the moment we have two members of the subcommittee of the cabinet, although I am sorry the Minister of Trade and Commerce is not present, because I believe he is also a member of that subcommittee. A short time ago the Minister of Agriculture said that the question of the price of wheat was considered last fall. I understand that as soon as war broke out, Great Britain appointed Mr. James Rank as the sole purchaser of grain supplies for both Great Britain and France. Negotiations took place at that time, and I understand the British government asked this government to close the grain exchange and said that if they did so, a price would be agreed upon for the duration of the war. The ministers are in the chamber; they will know about the matter and perhaps they could give the committee some information with respect to it. I was informed, I believe by a reliable source, that that is what happened, but that the government would not agree to the closing of the exchange at that time.

I think this committee should have a report of the operations of the wheat board since last August. I think we should also have a report from the Minister of Mines and Resources (Mr. Crerar) who was invited to go overseas to discuss this all-important question with the British authorities. If the reports in the press are correct, the matter of a price for Canadian wheat was discussed at that time. A recent report in the Winnipeg *Free Press* is to the effect that a price was considered, as well as the closing of the Winnipeg grain exchange. We should have a statement as to the permanent policy of the government. A report appeared in the *Leader-Post* of May 22 to the effect that the subcommittee of the cabinet was considering the question of closing the Winnipeg grain exchange. If that matter was being considered, we should have a statement as to what decision was reached. I think this committee should be informed also of the source from which this recommendation was received, whether it came from the grain exchange, from the producers, or from other organizations in western Canada.

If the exchange is to be closed, I think the public should be told at this time. Certainly the producers should know about this important action. The government should set a fair price for wheat for the duration of the war. I understand Mr. Rank is still the sole purchaser of supplies for Great Britain and France. Then I think a higher price than 70 c nts should be set. Possibly the government is contemplating bringing down legislation at this session to amend the act. The Minister of Agriculture (Mr. Gardiner) made many promises during the campaign and the western producers are expecting him to carry out at least some of them. The producers of western Canada will not be satisfied with 70 cent wheat. I believe they would agree to the closing down of the grain exchange

for the duration of the war, but the guaranteed price should be higher than 70 cents. We should first have a report from the Minister of Mines and Resources on his conference overseas, and then we should have a statement from the Minister of Trade and Commerce (Mr. MacKinnon) with respect to the permanent policy that will apply.

Mr. RALSTON: Mr. Chairman, naturally the government wants to give the fullest information possible. The hon. member for Haldimand (Mr. Senn) was inquiring as to the policy of the government with regard to supplies, and I believe the question asked by the hon. member for Qu'Appelle (Mr. Perley) arose out of the other question. I suggest to the hon. member for Qu'Appelle that he is opening up a rather large subject, one which is at least collateral and not directly related to the bill before the committee. I want to ask him, through you Mr. Chairman, if he will permit that matter to stand for discussion on its own merits until that opportunity arises? The question which he raises is quite different from that raised by the hon. member for Haldimand, that is to say, with regard to the quantity of supplies on hand. No one has any doubt that there is on hand in Canada plenty of wheat for some time. The manner in which that wheat will be dealt with is already a matter of policy and has been dealt with by statute.

The hon. member refers to the possible closing of the Winnipeg grain exchange. It is almost to be expected that a matter of that kind would be under discussion at a time like this. As the hon. member knows, the price of grain has been pegged on the Winnipeg grain exchange. The hon. member asked for an outline of policy, but all I can say to him at the moment is that the grain exchange has not yet been closed. That does not say what the policy of the government may be next week, the week after or when further consideration is given to the matter. The question of the price to the producer is one which involves dealing with the Wheat Board Act as well as other statutes. Perhaps he will permit this to stand for discussion on its own merits until after we have dealt with the resolution at present before the committee.

Mr. HANSON (York-Sunbury): The minister's request is a reasonable one, but I should like to see it coupled with an undertaking that ample opportunity will be given at some relevant stage of the session, which I hope will be at a not too distant date, to discuss the question raised by the hon. member for Qu'Appelle (Mr. Perley). There is no doubt that this question is of the greatest importance to the farmers of western Canada. Will the minister or his colleague, the Minister of Trade and Commerce (Mr. MacKinnon), be good enough to give an undertaking that at an early date opportunity will be provided to discuss this whole question?

Mr. MacKINNON (Edmonton West): At the very moment the hon. member for Qu'Appelle (Mr. Perley) first raised this question, I was in conference with the members of the wheat board who have been called to Ottawa. I am in a position to assure the leader of the opposition and the hon. member for Qu'Appelle that the opportunity for discussion which they ask for will be provided at as early a date as possible.

Mr. PERLEY: May I say to the Minister of Finance that I brought up this question at this time only because of certain remarks made by the Minister of Agriculture (Mr. Gardiner) with respect to wheat. I would refer also to the answer given this afternoon by the Minister of Trade and Commerce (Mr. MacKinnon), to my question on the order paper asking when the advisory committee to the wheat board would be reappointed, which answer I think was most indefinite. That question did not involve the whole wheat problem, and I do not consider I was treated very courteously. However, as an undertaking has been given that we shall have this opportunity, I will let the matter drop at the present. I hope that opportunity will not be too distant.

Mr. MacKINNON (Edmonton West): In making the answer referred to this afternoon, I was as definite as I could be under the circumstances. I wanted to make the answer as complete as possible, but I could not be more explicit without intimating the course taken by the conversations with the officials advising the department.

Mr. RALSTON: The hon. member for Qu'Appelle has taken a couple of what I might call sideswipes at the Minister of Agriculture, and I point out that my colleague is restraining himself until the proper time.

Mr. PERLEY: He does not need to be restrained.

Mr. HANSON (York-Sunbury): I think he can take care of himself.

Mr. LOCKHART: I should like to implement what the hon. member for Haldimand (Mr. Senn) has said. Considerable concern is being expressed by farmers who have large acreages of tomatoes, to take that crop as an example. As a result of the food commissioner

in Great Britain limiting the licensing for export, the acreage of tomatoes might be materially reduced. In line with the questions asked by the hon. member for Haldimand, I would point out that the farmers are wondering whether it would be better to grow oats and peas to produce bacon, and whether it would be better to divert large amounts of acreage to other crops. I know there is a tremendous acreage of tomatoes in the constituency of Prince Edward-Lennox; and if those tomatoes cannot be exported in the form of tomato juice and canned tomatoes, I believe some direction should be given to the farmers in Canada indicating what might best be sown.

However, it was not my intention to discuss that point in detail, although it was forcibly brought to my attention over the weekend. I rise at this time particularly to enlist the attention of the Minister of National Defence (Mr. Rogers). Over the weekend I made an extensive survey of some matters which I brought briefly to the attention of the minister last week. I know he is giving serious consideration to some of them.

I believe I am correct when I say that the protection afforded our great power units, the great Welland ship canal transportation system —which, incidentally, carried nearly 12,000,000 tons of merchandise last year—is somewhat jeopardized at the present time. I believe that this information would be useful to the Minister of Finance, as well as to the Minister of National Defence.

After carefully investigating the matter during the last few days, I learned that our efficient Royal Canadian Mounted Police are in charge of the canal system. At some points only one man is stationed, while at other more vulnerable points there are two. I repeat that the protection is entirely inadequate, when we give due consideration to the dangers involved. When we are dealing with a transportation system over which 12,000,000 tons of the produce of Canada have been transported, it is of the utmost importance that that system be protected at its vulnerable points by more than one or two men. I draw this point particularly to the attention of the Minister of National Defence.

I pass on now to a further discussion of points which have been raised in connection with the power plants. I understand that those plants are under provincial jurisdiction. I do not know whether the minister is satisfied with the protection being given, but in the light of the influx of tourists which we may expect any time—and I take no exception to the operations of the director of the travel bureau—I am wondering whether the federal government, the Minister of National Defence or some other constituted authority will give careful consideration to the matter and decide whether the protection is adequate. Rumours are constantly coming to my ears, and some of them I wish to discuss with the minister. We realize that the great Welland ship canal, and the power centres in and about Queenston and Niagara Falls from which run important transmission lines serving thousands of factories in all parts of Ontario, must be given adequate protection, even at the cost of large sums of money.

The provincial police are small in number, and in the light of present conditions I cannot see why these public utilities should not now be under the supervision of the Department of National Defence or some other federally constituted body. In my view it is high time that this matter was given serious consideration. The placing of one man, two men or even three men within a few hundred yards of the great hydro-electric power system at Queenston Heights is very small protection indeed when we compare it with the great preparation made at the Sault locks by the United States government. They have gone to great lengths, and yet they are not at war. I draw the minister's attention particularly to the preparations which have been made at the Sault locks by the United States government.

In view of the "fifth column" activities, reports of which have been circulating in the past few days, and some of which have come to my attention, I urge most seriously that immediate steps be taken to see that something more definite is done in connection with the protection of these power and transportation facilities. We realize that the Welland ship canal offers one of the greatest conveniences for the conveyance of the wheat crop to the markets of the United Kingdom. I urge upon the minister those points which were brought to my attention, and those of a more secret nature I shall bring personally to the attention of the Minister of Justice.

I urge most seriously that consideration be given at once to increasing a hundredfold the guards at vulnerable points, and that the government utilize the camp grounds at Niagara-on-the-Lake to which, I was told Sunday morning, only one or two units have come. The grounds at that point offer the best facilities and sanitation, and could be utilized profitably. If we are to permit a great influx of tourist traffic across the border at Queenston, Niagara Falls and Fort Erie, conditions may develop suddenly with which two or three guards would not be able to cope. Inadequate lighting facilities would add to the difficulties of the guards, and there are other features with which I shall not trouble the committee.

I ask the minister to check what has been done, and to do something which will remedy the situation and allay the fears of the people in that great peninsula who live at the seat of vulnerable points and in the midst of vulnerable systems which within five minutes of crossing the international border could be attacked with ease. I plead that the minister make a careful check of the situation.

Mr. ROGERS: The federal government was in communication with the provincial government last week with respect to more adequate protection of the hydro-electric plants along the international boundary. As a result of those discussions, certain military dispositions were made over the weekend. May I add that the district officer commanding has been in touch with the attorney general of Ontario. I shall be pleased indeed to carry out the suggestion made by the hon. member and to watch most carefully the situation he describes.

Mr. DIEFENBAKER: During the last few days I have been in receipt of a large number of resolutions from various bodies in Saskatchewan demanding that the government do something towards controlling the nazi influence within their province. The people of Saskatchewan are not given to hysteria; but having regard to the releases of interned aliens that have taken place in the last few weeks, they feel that all is not well with the administration of the alien enemy problem in that province.

I point out that to-day there are areas in Saskatchewan where nazi activities are continuing in a manner which would not be credited elsewhere in the dominion. People in the province are asking for action. The legion and other public bodies of all kinds are asking that something be done, and they make the request because several men who were interned have been subsequently released. The government has not taken the public into its confidence or given any indication of the reasons why the releases were permitted.

May I bring one instance to the attention of hon. members: A man at St. Walburg was interned shortly after the outbreak of war. He was known in that locality to have been engaged for a considerable time in nazi activities. After a period of internment he was released, and until ten days ago occupied the position of a justice of the peace, charged with administering British justice in Saskatchewan. The question that we, representing constituencies in that province, ask is this, what will the government do with regard to the alien enemy problem? Upon whose recommendation does the government act in permitting the release of aliens who have been interned?

[Mr. Lockhart.]

The people of Saskatchewan, I repeat, are not hysterical, but they want measures to be taken at once to offset and control this menace in their midst. One of the suggestions offered is that there should be recruited to full strength immediately the various military units in that province. I take as one case in point the condition existing in the city of Prince Albert. There we have two militia units; one, the Prince Albert and Battleford volunteers, which owes its inception to the Riel rebellion; the other, a battery of artillery, the 44th. Both units have had excellent records in competition with others throughout the dominion. Yet they have not been mobilized. There is a large armoury there, within the constituency of the Prime Minister, which is not being used except for minor training purposes. The men who enlisted in that city during the past winter had to go to Saskatoon, where proper housing facilities were not available. They were housed at the fair grounds in that city under conditions that did no credit to the government. Yet in Prince Albert facilities were available. The only way we can successfully recruit for the army is by establishing esprit de corps, which will arise only when local units are mobilized and trained where enlistment takes place.

I ask the Minister of National Defence whether, in view of the critical situation—I call it critical advisedly—arising from subversive activities in Saskatchewan, he will consider the immediate recruitment to full strength of the Prince Albert infantry and artillery units. Otherwise there will be no protection in northern Saskatchewan against enemy activities.

The veterans' defence scheme is a good one, but 3,000 men are inadequate, representing one man per mile from the Atlantic to the Pacific. We need the militia units. If orders are given to recruit them in Prince Albert, the difficulty which has arisen in the past to retard recruitment, namely the fear on the part of people in that city that their own units are to be taken elsewhere, will disappear, and within a few days there will be available, not only for home defence, but in preparation for overseas service, at least 1,000 men. I ask the minister to give consideration to the suggestions I have offered.

Mr. ROGERS: I shall be very glad indeed to give consideration to the suggestions. I may say that the units which have been raised thus far in Saskatchewan and elsewhere have been based upon the non-permanent active militia units, and it is always a question of the choice of the units which shall constitute a particular division which is being called up. At the present time, if my recollection is

correct, there are two infantry units from Saskatchewan, namely the South Saskatchewan regiment and the Saskatoon Light Infantry.

Mr. DIEFENBAKER: The Prince Albert regiment is the oldest in the province with a great tradition of service to its credit.

Mr. ROGERS: I am quite sure it will receive the careful attention of the district officer commanding, in the constitution of the new division and other formations.

Mr. DIEFENBAKER: Would the Minister of Justice mind answering the question I asked with reference to internment?

Mr. LAPOINTE (Quebec East): As to the question of internment and release, there seems to be a misconception of how alien enemies, who were interned, obtained their release. When war broke out, many people were astonished at the speed with which so-called aliens were interned—the very first day.

Mr. HANSON (York-Sunbury): I was not astonished.

Mr. LAPOINTE (Quebec East): Well, the hon. member knew that the matter had been well arranged by the police. Precautions had been taken weeks and even months before war broke out, on the assumption that some trouble might arise. But of course there was not much evidence against some of those who were so arrested and interned; they were apprehended because they were suspected to some degree. A tribunal, indeed two tribunals, were constituted for the purpose of investigating and studying each case which was appealed.

Mr. HANSON (York-Sunbury): Who were on the tribunals?

Mr. LAPOINTE (Quebec East): There was one constituted of three members: Judge Smiley, of Ottawa; Mr. O'Meara, Assistant Under-secretary of State; and Mr. Fortier, legal officer of the Department of Transport; and they went around the country. In some instances judges were engaged. I know that Mr. Justice Cannon sat in Quebec, and I believe Mr. Justice Hyndman sat in the west. Those tribunals sent in their reports on the cases which were involved when an appeal had been taken and representations made. These reports were made to the Minister of Justice. In every case, before a release was signed, the whole of the evidence, the report and the file were submitted to a special interdepartmental committee, of whom one, Mr. MacNeill, is a leading law officer of the Department of Justice, and another, Mr. Robertson, is counsellor in the Department of External Affairs. This committee, again, reports to me, and it is on these reports that releases or refusals are agreed to.

Mr. HANSON (York-Sunbury): May I ask whether the procedure which is adopted in England has been carried out by these tribunals here? That is, were the arrested parties brought before the tribunals in person, and were the police who made the arrests represented there to give their side of the case? I understand the procedure in England was very thorough. A great man died on his way to attend one hearing. There were important men on these tribunals. I have nothing to say against the civil service, but on those tribunals were not civil servants but men of judicial character, experience and ability. What is the procedure?

Mr. LAPOINTE (Quebec East): On the first tribunal I mentioned, there was a gentleman of judicial capacity, Judge Smiley, who was strongly recommended. I do not think he has ever been a political friend of the present government. The other evening I was not present in the house, but subsequently I read in *Hansard* an insinuation or a suggestion on the part of an hon. member that party politics had crept into this matter. May I say that I would not be worthy of the position I occupy if I allowed party politics to play any part in a question of this kind. The hon. gentleman who made the statement, when he comes to know me better, will not repeat such a thing. There is no party politics in the matter. In fact, representations have been made to me with regard to the internment of alien enemies by hon. gentlemen on both sides of the house, and those representations have received exactly the same consideration coming from one side as from the other, and that is none at all.

Mr. HOMUTH: My right hon. friend assures the committee that no alien has been released except through the tribunals?

Mr. LAPOINTE (Quebec East): Yes, except perhaps in one or two instances where there was illness and the man was sent to his family.

Mr. DAMUDE: I do not always agree with my hon. friend the member for Lincoln (Mr. Lockhart), but on this occasion it seems to me that the inadequacy of the guards on the Welland ship canal and those who are looking after the hydro development in the Niagara peninsula is a matter that should receive the most careful consideration from the government in order to see to it that the great Welland ship canal, where the locks

are situated in the constituency I have the honour to represent, and the hydro development are strictly guarded.

Mr. MacNICOL: Before the resolution passes, may I ask the Minister of National Defence a question in connection with the provision for promoting the continuance of industry. In 1938, I believe, the minister, speaking on the question of the relief of unemployment, intimated that the intention of the government at that time was to assist in promoting industry with a view to providing employment. Sitting here, I have listened to statements from various members, and I suggest that the minister has an opportunity under this resolution to carry out the intention he expressed on that occasion and to assist industry. Last evening I heard the President of the United States making a very strong point with regard to the rehabilitation of military equipment in the programme of the United States government, intimating he would go a long way towards financing industry in the development of new military equipment. That has been the plan of the government of France in the last three or four years, and the same thing is true of Great Britain. These governments did help industry to develop military equipment, because military equipment changes so rapidly that no manufacturer can afford to carry such development. I submit that we should be manufacturing tanks in Canada. A few days ago I made that suggestion, and one of the ministers thought it would be quite an undertaking, but there are many large plants in Canada which could, without too much difficulty, engage in the manufacture of tanks provided they received some assistance from the government. On Saturday afternoon I listened to the Prime Minister of Great Britain, and one of the things he especially requested from Canada and other parts of the empire was a supply of tanks. In the manufacture of tanks in Canada this government would have to assist any manufacturer in the initial cost of production of engines, tools and so forth.

I was wondering whether under clause (c) of the resolution the minister could not do something to assist Canadian industry to produce tanks, and, through that, further the development of iron production in the country. I do not know how far we have to go for iron to-day. We do get some from Minnesota, some from Wisconsin and some from Bell island in Newfoundland, but in Canada there are mines that could be developed. I read of a recent discovery in northern Ontario where it is said iron ore of the same high grade iron content as that produced in Minnesota is available. Under this provision the government could do something to encourage large industry in Canada—because small industry could not possibly undertake the work—to manufacture tanks. The first part of the work would be the melting of iron and rolling the steel. We have large blast furnaces in Midland, Hamilton and Sydney. Near Windsor we have one that has never been operated. The blast furnace still stands and the steel plant is idle. I have been through that plant lately. In fact, I made a survey of about two hundred industries in Canada in four months last fall in order to find out exactly what Canadian industry could do. This particular plant I speak of might be ideal for the production of tanks. If under this clause something could be done in this direction, it would go a long way towards assisting the allies and would develop the steel industry of Canada through the manufacture of tanks.

Mr. COLDWELL: My hon. friend speaks of opening up mines. It occurs to me that we have a large amount of excellent material lying around the country which could be gathered up and assembled. It would provide the best sort of material for this purpose. I refer to the enormous quantity of scrapiron that remains even after we have exported a great deal. I bring that to the attention of the committee, and I suggest that some arrangement should be made to utilize this vast supply of scrapiron, which I am informed is the finest kind of material.

That is not what I really rose to suggest. There is one phrase in this resolution on which I should like some explanation. It is the phrase:

(c) . . . or indemnity against war risk . . .

What is meant by that? Does the government propose to provide indemnities for industry in the event of the war ending? If, so, I submit that agriculture should be indemnified as well as industry. I do not suppose it means insurance; it reads, "insurance or indemnity." Might we have an explanation of what this phraseology means?

Mr. RALSTON: The purposes, of course, are as wide as the phrase itself. What was probably in mind is what is mentioned there, insurance or indemnity against war risk, relating in most cases I would think to the transportation of goods.

Mr. HANSON (York-Sunbury): By sea.

Mr. RALSTON: Yes, "promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risks or in any other manner whatsoever." I think the insurance or indemnity against war risks is what the drafts-

man primarily had regard to, what we understand as the assumption of war risk by way of insurance or indemnity against loss.

Mr. COLDWELL: Nothing beyond that?

Mr. RALSTON: I do not think there was probably anything more in the mind of the draftsman, but I realize that the words are wider than that because of the last phrase "or any other matter whatsoever."

Mr. McIVOR: I am sure the Minister of National Defence will not overlook the head of the lakes when he is organizing his home defence. We have hydro-electric power there at Cameron falls and the Kam Power Company at Kakabeka falls, but more especially we have the greatest grain storage in the world to-day. In fact, we are called the bread-basket of the world, and I am sure that the Minister of National Defence in his thorough way of doing things will see that that bread-basket is adequately protected.

Mr. BROOKS: I am sure we were all very much pleased to hear the Prime Minister this afternoon state that we are going to raise more troops in Canada. I would ask the Minister of National Defence what system he is going to develop for enlisting and recruiting. It occurs to me that we have a very heavy contract on our hands. I was surprised to read in the Ottawa *Journal,* I think it was, on Saturday that one of the units belonging to the second division and leaving Ottawa for camp was still two hundred men short. If the same condition prevails in every other unit in the second division, we are far short of the number of men required to fill up that division. On top of that we are organizing a third division, and now it is announced that we shall have a fourth division.

Mr. ROGERS: Infantry units or rifle battalions.

Mr. BROOKS: Well, that would mean sixteen thousand men or twelve thousand men, I presume?

Mr. ROGERS: No, that would be nine regiments.

Mr. BROOKS: Nine infantry units would be nine thousand men, and again five thousand men for the air force, the corps troops as the minister mentioned the other day, and four or five thousand men for the navy. It simply shows how in the past nine months this matter of recruiting has been very much neglected. Now we have it piled up against us, and it seems to me it is going to take a great deal of organizing ability on the part of the Department of National Defence to obtain these men in Canada to-day. The units we have already organized are not up to strength; when the first division went overseas at the last minute we had to provide men for them. I should like to hear, and I am sure the country would like to hear from the minister, what definite plan we have at last evolved to obtain men at such short notice, or if we have a plan at all.

Mr. ROGERS: Perhaps I should answer my hon. friend now, and if he requires more detailed information I can obtain it later. In the first place I would not agree with him that we have experienced difficulty up to the present time in recruiting such units as have been authorized.

Mr. BROOKS: At that point might I ask the minister then why it is that these units have not been recruited up to strength, although for instance it is two or three months since the second division was formed?

Mr. ROGERS: If my hon. friend will permit me to proceed, I think I shall be able to give that information too. The first division was recruited to strength when it went overseas, and as my hon. friend who has had military experience is aware, it also carried its first reinforcements. Subsequently further reinforcements have gone over; in fact we have four months' accumulated reinforcements for the first division. A few days ago I placed a return on record on that question, and I think there is no reason why I should repeat it.

Mr. BROOKS: That would be the ten per cent pre-battle casualties reinforcements?

Mr. ROGERS: Yes. Since then, we have sent forward additional reinforcements from the depots to the training centres and thence to the holding units in England. That is the method of reinforcement, a method which has been worked out most carefully by the Department of National Defence in communication with Canadian military headquarters in London. My hon. friend may be assured that the arrangements we have made to provide reinforcements have received the approval of Canadian military headquarters in London and of the general officer commanding the first Canadian division.

Mr. BROOKS: How many reinforcements have we for the first division in England at the present time?

Mr. ROGERS: That is not a question I should answer categorically at the present time. I believe my hon. friend will find on *Hansard* for the other evening the actual number of reinforcements raised up to the

present time for the first division. If he has any difficulty about the figures, I shall be glad to provide any information.

Mr. BROOKS: I think it would be four or five thousand.

Mr. ROGERS: As to the second division my hon. friend said certain units went to camp below strength. I should like to satisfy myself definitely on that point before I answer the question. If he will refer me to the unit which he stated was below strength, I will take note of it. I can say that the second division units during the winter months were not brought fully up to strength for reasons that I think were entirely sound. We could not give all second division units complete and satisfactory training in their winter quarters. That could be done satisfactorily only when they had opportunity to carry out full unit training in summer encampments. But we gave authority to the second division to bring their various units up to strength and have recently also given them authority to add reinforcements. As already stated by the Prime Minister, we propose to see that reinforcements for the second division are expedited. I assure my hon. friend and the committee generally that we realize the importance of ensuring a continuous stream of reinforcements to the divisions that have been mobilized and will in due course go overseas.

My hon. friend also asked regarding the method of recruiting the division which has been more recently authorized, the third division, and such other units as have been indicated by the Prime Minister this afternoon. After a most careful study by officers of the department, it has been thought wise to proceed broadly in the same manner as we recruited the first and second divisions. In other words, the department receives from the district officers commanding nominations of certain units which should comprise the particular divisions. Those nominations are gone over in the department very carefully in order to see that there is also a satisfactory regional distribution of those units, infantry, artillery, engineers, et cetera, across the country. These units, once finally selected, are through the district given authority to be brought up to strength. I am bound to say at once, with respect to the methods of recruiting we followed for the first and second divisions, that there was not always a satisfactory spread of the recruiting areas.

Some hon. MEMBERS: Hear, hear.

Mr. ROGERS: I agree absolutely, and I have put it to the officers of the department that in what we do now we should widen the areas of recruiting. But my hon. friend who has asked this question, and who has had long militia experience himself, knows that these militia units were localized to a considerable extent. If I might take one in his own province, the Carleton and York regiment, the very name of the regiment implies that it has its establishment in a restricted area.

Mr. HANSON (York-Sunbury): The whole west side of the province, from the bay of Fundy to the Quebec boundary.

Mr. ROGERS: It is a large, but nevertheless a restricted area. My point is that in further recruiting for units of the third division we should widen the area from which men may be enlisted, and I can assure my hon. friend that this question is definitely receiving the attention of the officers of the department at the present time. I can go further and say that I think it is also desirable to set up recruiting offices in a larger number of cities and towns than was the case with the first and second divisions. I received personally quite a number of complaints in connection with the recruiting of the first two divisions, to the effect that men were obliged to go some distance to recruiting centres in order to offer their services, and of course when a man was rejected he had to make the return journey, entirely at his own expense. I am not going to suggest that we should set up recruiting offices in all the cities and towns within a province, but certainly I shall see to it that we distribute the recruiting facilities on a wider basis than has been the case heretofore.

Mr. ESLING: I think across Canada there will be the warmest commendation of the Prime Minister's statement concerning intended recruiting activities. It has been indicated that the responsibility will rest largely with the officers commanding the military districts. That is only natural, because it could hardly be expected that the minister or his officials would know the exact geographical condition in each province. In southeastern British Columbia we have perhaps the most populous communities of that province with the exception of the coast cities. We have the armouries; we have the medical officers; we have experienced officers who distinguished themselves in the last war, perfectly capable of acting as recruiting officers. My point is that these young men in the interior who are anxious to offer their services to the country have been and are now compelled to pay their transportation expenses to the coast, a distance of perhaps six hundred, seven

hundred or eight hundred miles. The minister can readily appreciate the discouraging effect this has had upon men who have been unemployed. I want to ask the minister if he will not take a personal interest and see to it that these young men in southeastern British Columbia are given an opportunity to enlist in some of these units which are to be recruited to strength.

Mr. ROGERS: I shall be very glad indeed to do so.

Mr. FRASER (Peterborough West): Some of the Peterborough men had to travel 135 miles to try to enlist and were turned down. Would it not be possible for these men to be given passes on the Canadian National Railways in order that they might return home?

Mr. HANSON (York-Sunbury): The government should pay their transportation expenses.

Mr. FRASER (Peterborough West): Yes, the government should pay the transportation both ways. This situation has discouraged recruiting; in fact, it has really chilled it. I believe everything possible should be done for those men who are willing to give their lives for us, and I think transportation is one thing with which they should be supplied.

Mr. ROGERS: Perhaps a better way to deal with that situation is to bring the recruiting offices closer to the men instead of taking the men to the recruiting offices.

Mr. HANSON (York-Sunbury): I quite agree.

Mr. FRASER (Peterborough West): I agree also. The men from Peterborough had to go to Picton, Kingston or Toronto. Some of them, after standing in line all day, were turned down or perhaps did not even get into the recruiting office. They had to get back the best way they could, and some of them went without food for two days.

Mr. GERSHAW: I should like to direct attention to a few factors which have not been mentioned so far. One is that on the farms, in the smaller towns and in the cities throughout the country there is a tremendous amount of scrapiron and discarded material which in some countries would be of very great use, and which might be of use in Canada as well.

Another point is that in the west, particularly in southern Alberta, conditions are eminently favourable for the training of airmen. There we have wide open spaces without trees, fences or power lines. We have stretches of level prairie without stones or sloughs, conditions which are considered ideal for this training. Visibility is good, with very little fog and very low precipitation.

In the same district is one of the greatest petroleum producing fields in the world, with some ninety-seven producing wells which could supply the entire requirements of the commonwealth air scheme without interfering in any way with service to domestic consumers. We have a tremendous potential wealth there; the source of supply is secure. I believe that with these ideal conditions and this great petroleum supply, super airmen can be trained in that region.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BLACK (Cumberland): Mr. Chairman, before this resolution carries, perhaps I should say a word with respect to the feeling in my constituency and throughout a large section of Nova Scotia. The citizens in that part of the country are dissatisfied with the progress which has been made up to now in the war effort. There are strong misgivings with respect to what has been done. I do not wish anything that I may say to be misconstrued as being critical of those who are carrying responsibility at the present time, especially the Minister of Finance (Mr. Ralston) or the Minister of National Defence (Mr. Rogers), both of whom come from my home town. The county of Cumberland has great pride in the fact that two of its citizens occupy front benches in this house and are carrying heavy responsibility at the present time. I want to offer them all the cooperation of which I am capable. That was my pledge to the electorate, and I give that assurance now.

There is a feeling among a large number of the electorate that some restraint is being placed upon the Minister of Finance and the Minister of National Defence and that, if this restraint were removed, more progress could be made in the war effort. The Minister of Finance has a wonderful record, and he enjoys a great deal of public confidence in my constituency and throughout Canada because of the achievement he has made in every sphere of his activities. He early took a high place in his profession and in public life, and he had a fine record in the last war; then he was back in public life discharging the

responsibilities of Minister of National Defence, retired to private practice and again, early in this war, he came back as Minister of Finance.

Many people in this country are of the opinion that if he were in control at the present time as Prime Minister, there would be a feeling of greater confidence. I do not believe we would then have an extreme partisan government such as has been the case. I feel sure he would call in to consult with him leading men in Canadian public life irrespective of politics. He would call into consultation such men as Right Hon. Arthur Meighen, Right Hon. R. B. Bennett, Hon. H. H. Stevens, Hon. C. H. Cahan, Hon. R. J. Manion and others. Even though he had to enlist them as dollar a year men, he would do so rather than carry on a party government.

During the last war industries in Cumberland were actively engaged in war work. They gained a fine reputation in the manufacture of munitions, but there has been none of this work this time. Well-established industries should have been equipped in peace time with the machinery necessary to manufacture munitions even at government expense so that they might be ready to manufacture in a time such as we are now going through. But this has not been the case in our province. Practically no munitions have been manufactured there. In the town of Amherst we have a regiment stationed there which has been furnished with splendid quarters at considerable expense. There are trained officers in charge, but the regiment has not been up to strength. Recently there has been only a handful of men. At the same time all through the county of Cumberland men have been offering to enlist, but there has been no opportunity for them to do so. The fear is that there has been degeneration among the men in that unit because there is so little for them to do.

The promise of work manufacturing aeroplanes has been dangled before us ever since last September. One of the finest fields in eastern Canada was recently surveyed, and we were even told that it was one of the best in the dominion. A second field was surveyed at Amherst, and we were told that the Canadian Car and Foundry Company would be given orders to manufacture aeroplanes. Mr. Asquith, representing the British purchasing board, came to Amherst before the last session of parliament was called in January and said that he wished to place orders immediately. The people of Amherst and the officials of that company were willing and anxious to have work started.

During the election campaign it was made known indirectly, not through government channels, that Amherst would be called upon to contribute 50 per cent of the cost of providing and equipping the field. I was a member of a committee of the board of trade, and yet that information was not given to me. It was only learned in a roundabout way, and the people of Amherst said that they would go fifty-fifty on the cost. A plebiscite was held on the question, and it carried one hundred to one in favour of providing the necessary field. Fields were provided in other parts of Canada at considerable expense, I understand up to $1,000,000 for a single field.

According to the *Hansard* in the other chamber the announcement was made by the leader of the government there that the aeroplane programme of this country provided that machines were being manufactured at Amherst. It was stated that there was the assembly of Anson wings and aircraft and the overhaul of Anson aircraft. That was given out to the country as part of the programme to provide Canada's aircraft equipment. Up to the present time nothing more has been done to carry out that programme in the town of Amherst than has been done in this chamber. Therefore, I say that the people of Amherst, the people of Cumberland and the people in a large section of Nova Scotia have great misgivings about the progress made by this government in carrying on the war effort.

Public opinion is strongly in favour of putting forth the maximum effort. I have been told at different times that the labour unions are against doing their utmost to win this war, but I do not think that is the case. I feel sure the workmen of Canada are willing to work day and night, Sundays and week days, in order to meet the challenge that has been made to the British empire. I have a telegram before me from one of the labour organizations in Cumberland county which I should like to read to the committee as an indication of the feeling of the workmen in eastern Canada. I have no doubt the same thing may be said of the workmen throughout the rest of Canada. This telegram which I received on May 25, reads:

> The workers of Malagash demand that Canada prosecute the war to the ultimate capabilities of the national wealth and man-power must be conscripted through measures similar to those taken in Great Britain. If the present government is unwilling or unable to adopt these measures it must give place to government that will. Workers here will support fully any government capable of organizing effectively and completely for the purpose of assuring British institutions the man-power and

financial and industrial resources of Canada and will gladly submit to any temporary curtailment of our liberties that may be necessary in the national cause. We must win this war.

Laurence Sutherland,
President, United Salt Mine Workers.

I believe that is an expression of opinion of the workmen throughout Canada. However, the trouble has been that we have had no proper leadership. Steps which have been taken since parliament met have been taken because of the pressure from the opposition in the house, and because of public opinion throughout the country as indicated in the press. The government has been forced to take some advanced steps.

I believe it was Burke who said that a statesman should be as a mountain peak, first to catch the light of the new day, and to spread it to the valleys below. That does not appear to have been so with this government. They have had to be forced. Public opinion as voiced by men and by women throughout the country demands action, and it is not satisfied with what has been done. I would repeat that there is great misgiving in my own town of Amherst, and throughout Nova Scotia, that the activities of the government are not what they should be, having regard to the great issues at stake.

Resolution reported, read the second time and concurred in. Mr. Ralston thereupon moved for leave to introduce Bill No. 18, for granting to his majesty aid for national defence and security.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Vien in the chair.

Section 1 agreed to.

On section 2—Appropriation.

Mr. CHURCH: Will any part of the $700,000,000 mentioned in section 2 be used for any purposes other than war purposes, defence and matters of that kind? Last summer the house voted $100,000,000, but proper restrictions were not imposed. I understand part of that money was used to open embassies. Will any of this money be used for any purposes other than those set out in section 2 and remaining clauses? We should earmark this sum so that we may know where it is going, and particularly it should all be for defence on land, on sea and in the air. Will any of the money be used for any civilian purposes other than those indicated in the bill?

Mr. RALSTON: No; the money will not be used for purposes other than those set out in section 2. My hon. friend understands, however, that section 2 is very wide, but the intention is to use the money for purposes connected with the war.

Mr. HANSON (York-Sunbury): The minister will recall that when on May 21 he was making his introductory statement on the resolution, I asked him, as reported at page 85 of *Hansard*, if he would give a break-down of the expenditures. At that time I meant past expenditures and past commitments, and also expenditures to be made under this bill. At that time the minister said:

> The house may wish to know the expenditures from September 1 to March 31. For this period the total payments on defence accounts were $112,000,000. The total payments to May 15 were $136,000,000. The commitments from September 1 to March 31, in addition to pay and allowances, amounted to $267,000,000.

Will the minister give the house a break-down of those several figures, and also a break-down of the balance of the $700,000,000, which I believe he has before him.

Mr. RALSTON: At the moment I have not a break-down of the commitments to which the hon. member has referred, but the break-down of expenditures up to March 31 is as follows:

Department of National Defence		$112,469,000
Army	$67,579,000	
Navy	11,455,000	
Air	28,380,000	
Air training plan	4,219,000	
Censorship	99,000	
Administration	500,000	
Internment	237,000	
Department of Agriculture		1,419,000
Auditor General		8,000
Civil Service Commission		6,000
External Affairs		76,000
Finance; Comptroller of the Treasury		358,000
War Supply Board		215,000
Justice		15,000
Labour; Wartime Prices and Trade Board		55,000
Mines and Resources		18,000
National Harbours Board		69,000
National Research Council		121,000
National Revenue		2,000
Pensions and National Health		900,000
Post Office		70,000
Privy Council		30,000
Public Works		829,000
Royal Canadian Mounted Police		1,400,000
Secretary of State		75,000
Trade and Commerce		4,000
Transport		350,000

With regard to the $700,000,000, my hon. friend will understand that to give a break-down of that would involve stating the allotments for the different services for the coming

year. I draw the attention of hon. members to explanatory notes which appear opposite the second page of the bill:

This bill provides for the payment out of the consolidated revenue fund of a sum not exceeding $700,000,000 in addition to the ordinary grants of parliament towards defraying expenses incurred by or under the authority of the governor in council during the current fiscal year *inter alia* for the security, defence, peace, order and welfare of Canada. Authority is also granted to borrow the sum of $700,000,000 for any of the purposes set out in the bill. A similar act (The War Appropriation Act, 1939) was passed at the session of parliament held in September, 1939.

The requirements of particular services on war account will depend on the course and progress of the war in circumstances which cannot now be foreseen. Therefore, it is clearly unwise to attempt to make specific allocations of the total appropriation to particular services. It is nevertheless desired that members of parliament shall have the usual opportunities for discussion of expenditures which may be made under various headings. Accordingly, there is set out below a list of the principal objects of expenditure under the Department of National Defence and a list of the other departments for which provision for expenditures on war account is now known to be necessary.

Then there follows a list: under the Department of National Defence, militia services, naval services, air services, general administration; and other departments which may be involved in connection with expenditures of moneys which are to be provided by this bill.

In adopting this form we have endeavoured to follow in a practical way the method which is adopted at Westminster, where, perhaps hon. members will recollect, what is done is to show under each heading a token vote of £100 in the estimates. We have not troubled to put a token vote of $100 opposite each item, because obviously it is only a token and it does not add anything to the information. What is endeavoured to be conveyed by this bill and by the explanatory notes which I have read is that the moneys provided for in the bill will be spent for the purposes set out in section 2; and for the convenience of hon. members various headings are given opposite pages 3 and 4 of the bill which will enable them to ask questions on any particular subject which may occur to them as being an object of expenditure.

I do not propose to attempt to give the committee any detail of the amounts for the different services. I do not mind, as a matter of fact, telling the committee what the rough amounts are as we see them at the present time; but that must, of course, always be subject to this, that under this bill we can change the amount which I have mentioned for any particular purpose and devote it to some other purpose, so long as it is within the purview of the bill. With that understanding, if hon. members would like it, I would be glad to indicate roughly what the various amounts might be, shall I say, in connection with the different services.

[Mr. Ralston.]

Mr. HANSON (York-Sunbury): Before the minister does that, I quite understand his observation that the requirements of particular services on war account will depend upon the course and progress of the war and other circumstances which cannot now be foreseen. That is wholly understandable, and I would not press the minister to be more specific on that. But, if one refers to the explanatory notes opposite pages 2 and 3 of the bill, it would seem to run the gamut of the whole public service. I suppose that is a correct statement of the position, that there is hardly a department of the government—they even have fisheries in here—which will not in a measure contribute something, I hope, to national defence.

The list of figures which the minister has been good enough to give to the committee with respect to the expenditures already made is very satisfactory, and the figures cover a large number of items. It is obviously impossible for us to keep in our minds those items at this moment, and I should like to give them some study with a view to asking some further questions on them. I confess my utter inability at the moment to ask questions intelligently on that list of expenditures. I am therefore going to suggest to the minister that he be good enough to let section 2 stand. We might go on with the rest of the bill and, perhaps to-morrow, take up section 2 and report the bill, if that meets with the minister's approval.

Mr. RALSTON: It is entirely satisfactory.

Mr. BLACK (Cumberland): May I ask if the fund provided by this appropriation, $700,000,000, provides for moneys necessary to pay for the manufacturing programme in this country of the British government or the allies?

Mr. RALSTON: There is a section in the bill which permits the dominion government to act as agent for the British government and allied governments, and for the time being recoverable charges would be paid out of this appropriation. They would be recoverable; that is, they would afterwards be repaid by the other government. .

Mr. HANSON (York-Sunbury): There is no other appropriation out of which they would be paid?

Mr. RALSTON: No.

Mr. GILLIS: I rise at this time, not for the purpose of retarding the matter which is before the house, but to get some information on questions which appear to be bothering some of the men who are in uniform. I know that one of the essential things if we are to have a proper prosecution of the war is to satisfy the expeditionary force. The men who are going to do the fighting must be assured that they have something to fight for and that the government are paying strict attention to their dependents.

The first matter in which I am interested is set out in a letter which I received to-day from a boy from my own constituency who is now in England. He says that there is considerable criticism within the ranks in England at the present time because, he says, they are paid on a fixed rate of exchange; that is, the pound at the present time is valued at $4.47, and on every $5 they receive in wages they are losing 53 cents. The government should give some recognition to that complaint.

Another matter of which he complains is the differential that exists in the dependents' allowances, to the prejudice of the mother as against the wife. That matter has been raised here, but as far as I am aware, no satisfactory answer has been given.

There is another matter about which considerable complaint exists, and I should like some information on it. According to press reports it is the intention of the government to grant two weeks' leave with subsistence allowance to all members of the Canadian active service force in Canada after they have completed six months' training. According to my information that has not been done. It is reported that some have had leave, but that no subsistence allowance was granted. Many others have not had the furlough. What is the intention of the department of the Minister of National Defence with respect to this matter?

With regard to another matter I have had some trouble prior to coming here, and I know it has occasioned some correspondence with the Department of Pensions and National Health. It is probably a little unusual; nevertheless it exists. What is the regulation of the minister's department in respect of the following category: a married man with a wife and dependants, who was parted before enlistment, but who, in accordance with the court decision, was compelled to support his wife and child before enlistment, neglects to make provision for them? His wife has presented her marriage certificate and a copy of the court order granting her support. This support had been taken from her by virtue of her husband's enlistment, he having failed to register at that time. Have there been any complaints of that kind? If so, what is the ruling in such cases?

These are several matters that are pertinent to the welfare of the men in uniform, and in my opinion, if we are to have a proper prosecution of the war, the men who are to do the fighting must be absolutely satisfied that we at home are taking care of all those matters which, however much we may be inclined to regard them as minor details, are nevertheless of major importance to them.

Mr. ROGERS: I shall be glad to take a note of what the hon. gentleman has said and give him an answer to-morrow.

Mr. CHURCH: Some of this vote is for home defence, and much of it has to do with public buildings throughout Canada for war purposes. The explanatory notes opposite page 2 of the bill give a list of items for militia services, naval services and air services. It will be noticed, in the explanatory notes opposite page 2, which will have to be read into section 2, that a good deal of this work is for home defence. As I say, it has to do with public buildings, land services, construction, repairs to naval buildings, expenses of the Royal Military college, Nothwest Territories radio services and a good many other things which formerly appeared in the main estimates and to some extent in the supplementary estimates as well. The other day the minister declared a holiday from public works, but these items have to be taken into account.

Home defence in Canada is not as important as it is in the old country, which is so close to enemy activities, because they are only twenty-five to thirty miles from the war zone. It is of course of some importance, but in my opinion the minister should give the committee some information on three or four points. In the first place, what part of this expenditure is for home defence and how much of it is for overseas? I find that a number of the undertakings under this bill formerly appeared in the main and supplementary estimates. I should like to know, for instance, whether the pegging of wheat and other commodities, if that is decided upon by the house, is to be included in the expenditures that are to be made out of this $700,000,000. Then, again, there may be further bonuses, subventions, subsidies, for other protectional purposes later. Many of these items will come up also in the main estimates and the supplementary estimates, if any. Will they form a part of the expenditures out of this $700,000,000? Last September the house voted $100,000,000 and no part of that money was earmarked.

We are spending $700,000,000 now in connection with a war overseas, defence at home and as a protection to bonds, railway securities and public securities; yet there is not enough money to insure the men who are fighting our battles overseas, to give them this protection. I suggest that the minister should lay down some policy of soldier insurance for all Canadian soldiers such as they had in the United States in the last war. That effected an economy in other ways later and helped the soldier and his dependents; it was found cheaper and lessened pensions, bonuses and the like. I hope the minister will consider some system such as they had in the United States with a view to insuring every soldier who goes overseas, so that in the event of his death in action or of his coming home crippled there will be some means by insurance of reestablishing him in civil life after the war. An insurance system was set up in Toronto in the great war, and it aided recruiting and helped the dependents when the soldier was killed. There was no reason why the people should have done it in Toronto, but they did it as a means of helping recruiting and the war.

I think the time is coming when we should definitely consider the huge taxes placed on the shoulders of the people to-day, especially the industrial workers of Ontario and Quebec. They pay the large share of our taxation both direct and indirect. The people in these cities and towns, the working class, have suffered from unemployment and depression in the last few years, and now they are suffering the consequences of a second war. A large number of these men have enlisted, and I urge the minister to provide that a larger part of these war votes shall come out of capital account and not be so heavily charged into the tax rate and charged to income. There is too great a charge upon income at the present time. We all know that whether it is charged to income or to interest, debt charges and sinking fund, it falls back upon the main body of taxpayers, the industrial workers, especially in Ontario and Quebec. The people of these two provinces contributed 80 per cent of the cash taxes of Canada, and they got little or nothing in return during the depression. The minister ought to give them some consideration. It seems to me that we are going too far in charging so much by way of taxes directly to income in the country.

I find that a great deal of what is outlined in this bill had been eliminated from the main estimates. This section refers to the conduct of naval, military and air operations in or beyond Canada. If the minister is given power to pass orders in council, I hope he will see to it that some of the inequalities are removed as between those who serve on land or on sea and in the air. I do hope he will bring down a bill for the purpose of removing the discrepancies in dependency payments and removing inequalities found to exist from experience so far.

[Mr. Church.]

Mr. RALSTON: In reference to the purposes for which these moneys are to be used, the committee will understand that the section is, as I have endeavoured frankly to point out, as wide as it can be made having regard to all the circumstances. It is, I think, word for word the same appropriation act that was passed in the last war, which gave the government power to use the money for the purposes indicated. It cannot be otherwise. Peace-time or normal public works are not contemplated by this bill, and so far as I am concerned I shall endeavour to see to it that expenditures of that kind are not made under this measure. They belong to ordinary peace-time estimates. There are expenditures contemplated for buildings such as those for buildings in connection with the services and the air training plan. The air training plan expenditure would appear to be capital expenditure, but it has to be amortized over the life of the plant. I assure the committee that the objects set out in section 2 cannot be limited to any greater extent than they are, and I can only assure hon. members that every endeavour will be made to see that the expenditures shall have relation to objects connected with the war.

Mr. DOUGLAS (Weyburn): We should have an explanation from the government to assist us in discussing this matter further. When this bill was in the resolution stage, the Prime Minister suggested that a committee would be set up representing all parties to receive confidential information regarding the appropriations. Is it the purpose of the government to set up that committee to review these appropriations before this bill is finally passed, or will that be discussed after the bill is passed?

Mr. RALSTON: I think the Prime Minister was going to discuss the matter further with the leader of the opposition; I believe that was what was intimated at the time. I thought we could go ahead with the bill in committee.

Mr. BLACK (Cumberland): Does this appropriation cover ordinary peace-time expenditures necessary for administering the military, naval and air services?

Mr. RALSTON: Yes, peace-time expenditure for military services.

Section stands.

On section 3—Government may act as agent.

Mr. RALSTON: I answered my hon. friend the leader of the opposition incorrectly when I intimated that this $700,000,000 was the only fund out of which moneys could be paid by the government in acting as agent for allied governments. As he will see from this section, moneys may be paid out of the consolidated fund, not necessarily out of the $700,000,000.

Mr. COLDWELL: This brings up a very important matter. I do not know whether this is the time to ask the Minister of Finance to give the committee some idea of the intentions of the government regarding the financing of allied expenditures through repatriation of Canadian securities. I take it from the wording of section 3 that it gives the government power in that regard. If so, I think the committee should have some idea, before passing this section, as to what the government intend to do in that connection. I am not objecting in any way to the government assisting the allies in this matter to the fullest degree. But I have heard a great deal of discussion as to the extent of the repatriation of Canadian securities held in Great Britain and the effect it may have on our own economy both now and after the war. I understand that in Great Britain there are something like $2,500,000,000 worth of Canadian securities held. If it is the intention to repatriate these during the course of the war, we might find ourselves in difficult circumstances unless we know exactly what is to be done when the securities have been repatriated. Are they to be sold to the general public as they are transferred to Canada, or are some of them to be retained by the government, and thus some organizations represented by those bonds become government-owned institutions? And how is it proposed to proceed in marketing securities if they are to be marketed? I do not want to delay the passage of the bill, but if this is the proper time, as from the wording of the section I judge it is, we might ask that a rather complete explanation of what this clause means might be given now.

Mr. RALSTON: I am one of those who hesitate to attempt to interpret a piece of legislation. It may turn out that the lawyers find that it means something different from what the legislators thought it meant. I always feel that one must take the wording of the clause and, if necessary, leave it to the courts to decide what it means.

It had not occurred to me until my hon. friend raised the point that this section was one under which repatriation procedure might be carried on. As a matter of fact, the provision was in the appropriation act at the time of the last war, and was in last year, and I recall one instance already in which it was found useful in making certain advances temporarily to one allied government for a certain emergent purpose which it was felt should be attended to at once without the delay which would be attendant on having to get a remittance from the other side. That is the type of thing I have in mind under this section. However, as my hon. friend will notice, it does provide that—

—any obligations or costs incurred temporarily or assumed by the government of Canada in the exercise of the powers hereby conferred may be paid out of any unappropriated moneys in the consolidated revenue fund.

But it is always prefaced by this, that in respect of the exercise of any powers under this section the government of Canada must be acting as agent for the government of any British or foreign country allied with his majesty. So I rather apprehend that it does not apply to repatriation proceedings such as my hon. friend suggested.

But, if it is convenient for the committee, let me finish now what I have to say regarding repatriation. I do not think I can add much to what I said the other day. Repatriation is simply one method which this government has adopted in order to provide Canadian dollars for our allies to purchase goods in Canada. It is a simple method; the leader of the opposition and I had a dialogue about it the other day; it simply means that Canadian securities have been sold in the British market and are held by British holders. The British government through their exchange control provide that all such securities must be registered, and the government have the right to requisition them from the holders. The British government needing Canadian dollars, and the Canadian government being willing to provide Canadian dollars for the British government, say to that government in effect, We will take these securities which have been absorbed by the British market and see that they are absorbed by the Canadian market and Canadian dollars representing the purchase price put to your credit. In turn the British government credit the holders of the securities with the amount represented by them and pay them the necessary funds in pounds, shillings and pence. As a matter of fact, the sum of $91,000,000 of one of our issues was repatriated during the first three or four months of the war. Since that time there have been some other operations; certain credits have been extended; certain substantial accumulations of sterling have taken place and exist at the present time. As I

intimated to the house when introducing the resolution, I have authorized another very substantial sum by way of accumulation of sterling, which means that in connection with certain transactions between us and the British government we did not ask them to pay in Canadian dollars but were content that for the time being sterling should be credited to our account in London. It may be that later on repatriation procedure may be taken—I was going to say to regularize that, but to settle the outstanding balance so that the British government in effect, gets the Canadian dollars for that sterling. At the present time I can describe it as more or less an open account; a very large balance in sterling is to our credit for goods sold by Canada. This will later be closed out by a repatriation operation.

As to the extent of repatriation operations from this time on, I have in mind quite definitely an arrangement arrived at with the British government as to the extent of the operations and the nature of certain intermediate operations which would take place between the two governments. The committee will understand that I do not feel at liberty to disclose the nature of those arrangements, because it will be understood that they affect the economy of both countries, and securities and exchange transactions in both countries. I can only say that the undertaking Canada is entering into in that regard is a very substantial one and I believe will be of material assistance to our allies; in fact, it has been indicated in very unreserved terms that such is the case.

Mr. HARRIS (Danforth): While the minister is on this subject, I should like to mention something along the same line, although probably it will not be quite in order until we reach the next section. It is with regard to the repatriation of Canadian bonds and Canadian dollars, particularly from the United States. As the minister knows, shortly after war was declared Canadian bonds in the United States dropped considerably below the Canadian level, with the result that there was considerable bootlegging, if I may call it that for lack of a better word, of Dominion of Canada bonds from the New York market. These bonds were brought to Canada and sold, and some unscrupulous financiers made a good deal of money out of that practice. I should like to ask the minister what new or further safeguards the foreign exchange control board are putting into effect to stop that practice, particularly in view of the announcement made by the minister last night with regard to the sale of war certificates.

I might add one further question along the same line. Many hundreds of thousands

[Mr. Ralston.]

of Canadian dollars are finding their way across the border and are being bought up, even by Canadians, in such places as Buffalo, for example. I have in mind one incident which occurred just yesterday. Canadian dollars spent in Buffalo are being accumulated by people in that city at 78 cents each, and quite a few of those dollars will find their way back into Canada to buy some of the very war certificates of which the minister spoke so highly last night. Now that the question of the repatriation of Canadian funds has been opened, I wonder if the minister would give us a statement as to what is being done to protect our interests in this connection.

Mr. RALSTON: I do not think the committee will expect, as I am sure my hon. friend will not, that I should go into the details of the foreign exchange control regulations, because they are really extremely intricate. I can only state the general principles. My hon. friend mentions the bootlegging of Canadian bonds, by which I think he means that a non-resident holder buys Canadian bonds at a low rate in the New York market and succeeds in getting a Canadian resident to purchase the bonds, giving him Canadian money for them. That, of course, is an export of capital and is contrary to the regulations; it is an export of the capital necessary to pay the United States holder for the bonds. I can assure the committee that every effort has been made to deal with that situation, and if there can be any tightening up of the regulations, that will be done.

Mr. HOMUTH: Is there any particular control over that? The bonds held in the United States are bearer bonds, are they not?

Mr. RALSTON: Even bearer bonds payable in United States currency but held by a Canadian resident are registered with the foreign exchange control board. But in the case of bonds held by United States residents it is not the bond, it is the Canadian purchaser's bank balance over which there is control. That is to say, the payment by the Canadian out of that bank balance is what is prohibited, because that is really an export of capital.

Mr. HARRIS (Danforth): I merely bring this to the attention of the minister and of the committee in the hope of drawing from the minister an emphatic statement that the government will take this problem definitely in hand. Then people who are in this most unscrupulous business will know that the government is aware of what is going on and will take drastic steps to deal with it. My purpose in

mentioning this matter is purely constructive, to try to stamp out an evil which to my mind is one of the worst in which anyone interested in finance in this country can be implicated.

I have something to say about the war certificates but I will say that when we come to the proper section. In passing, I may say that I hope there will be no scandalous financial operations with regard to the raising of part of this money by way of loan. I should like to have the minister make an emphatic statement with regard to the repatriation of Canadian funds, indicating that every possible precaution will be taken so that no unscrupulous methods will be tolerated.

Mr. RALSTON: As a rule, committees are reluctant to accept general statements from ministers in connection with these matters. I appreciate my hon. friend's motive in mentioning this situation. I was saying that I thought it was not the matter of the bonds, but rather the matter of the bank balances, the Canadian who buys cheap Canadian bonds from an American who has purchased them in that market. That is contrary to the regulations, and I say to my hon. friend most emphatically that if I can do anything to make that regulation more effective, he may be sure it will be done. With regard to the matter of Canadian dollars, of course my hon. friend understands that this money may be carried down to the United States, or there may be a Canadian balance held by a United States resident, who may sell it cheaply in the United States. The result is that somebody buys cheap Canadian dollars and comes up here to spend them, possibly for war savings certificates, as my hon. friend suggests.

Mr. HOMUTH: Would it be possible to have all bondholders registered?

Mr. RALSTON: Canadian holders of Canadian securities payable in United States currency must register with the Foreign Exchange Control Board even if they hold bearer bonds. They must register as holders of those bonds.

Mr. HANSON (York-Sunbury): They cannot collect the interest unless they do.

Mr. RALSTON: That is correct; and of course we have a check through the banks when the interest coupons are paid. That registration is complete. Generally speaking, I have mentioned the way in which cheap Canadian dollars get into what some people call the free market, although it has other names, particularly with us. There is another instance, when someone who is in Canada visiting, goes back with a few Canadian dollars in his pocket. He does not want to keep them and sells them cheaply in the United States. That creates a little more money in the so-called free market.

Mr. COLDWELL: When the hon. member for Danforth rose, I was going to ask another question. I quite understand that there is some difficulty about divulging to the House of Commons and the public any information concerning this matter of the repatriation of Canadian securities, because of the effect it might have on the economy of the countries involved. But we are engaging in very considerable commitments which may have an effect upon our whole economic structure. There is only one way in which this house really controls the government; that is, in the voting of moneys and the agreeing to commitments and expenditures. As I say, I realize the necessity of safeguarding the economy of the countries concerned, but I think that is a reason why this information should be given a committee before we pass upon this matter. I do not want to delay the bill, and I am not suggesting that we should do that; but if we should get an undertaking from the government that a committee of this house will be given an opportunity to look into and study this matter thoroughly, I have no objection to the passing of this section. This house controls the purse-strings of the government, and in my opinion the answer of the minister, from that point of view alone, is unsatisfactory. I think we should have an opportunity of knowing exactly what are the financial commitments and to what extent we are being involved before we are asked to approve a section of this kind.

This evening the minister made a remark similar to one he made earlier in the day, to the effect that he hesitated to interpret a section of the bill, that this was a matter for the courts rather than a matter of what the legislators had in mind. This afternoon the minister said he did not know what the draftsman had in mind in drawing up a section in a certain way. I really think we should endeavour to get these bills into such shape that we will know what we have in mind, and that nothing can be read into these measures which will give the government wider powers than it is intended should be conferred at the present time. As is suggested to me, if the minister does not know the exact meaning of the phraseology of his own bill, how can we be expected to know what the bill actually means?

Mr. RALSTON: I know what I think the bill means, but I am not the one to decide. My hon. friend has been a legislator long enough to realize that some bills go through this house which are supposed to mean certain

things and yet they turn out to mean something else, not because anyone has attempted to mislead but simply because of interpretation. Therefore, I hesitate to paraphrase a bill. It seems to me it is much better to read the section and endeavour to understand it; we should endeavour to get an interpretation which may be sound and pass it if the principle approves itself to us. My hon. friend has brought up the matter of repatriation of securities, but I do not think this section has to do with that. We shall not be acting as an agent of the British government in repatriating our own securities; we shall be purchasing securities for our own account.

Mr. HANSON (York-Sunbury): I was just about to make the same observation as the minister. In the repatriation of our own securities we will be conducting what is more or less a refunding operation. As I understand it, this is limited to the securities of the Dominion of Canada and is being done for the convenience of our own treasury, to build up in the old country a sterling balance which may be needed at some future time. I am quite in agreement with what the minister has said about the construction placed by the courts on clauses of bills. I have been faced with this many times in the course of the last thirty-five or forty years. The government is asking authority to act as agent for the allied governments in any contingency that may arise.

Mr. GREEN: The Canadian government is to have the power to act as agent for the British government for any purpose, direct or indirect, which will aid in the prosecution of the war. If I may do so under this section, I would ask the government to give some explanation of the difficulties which seem to have arisen in the working out of the British commonwealth air training plan. For example, in the press of Vancouver on Monday last, a week ago to-day, there appeared this report:

> Vancouver's air training programme for war pilots will not start for another year.
>
> This unexpected prediction from Ald. H. D. Wilson, chairman, drew indignant comment from the civic airport committee to-day.
>
> Ald. Wilson blamed lack of organization and "official red tape" for delay in commencing local instruction of Canadian war birds.
>
> Decision to turn over the Sea Island airport—

That is the Vancouver airport.

> —to the federal government for duration of the war was made by the city council two months ago, and it had been expected the air training scheme would be under way by now.

That is a most disturbing statement. It may not be correct, but I think it should be explained. I understand also that tenders have not even been called for in connection with certain training fields on the prairies which will be required to carry out this air training plan. I understand also that unless work is commenced within the next two or three weeks, these fields cannot be completed this year. I hope the minister will be able to assure us that these difficulties are being ironed out.

Mr. ROGERS: In the absence of the Minister of National Defence for Air (Mr. Power), perhaps I can supply some of the information my hon. friend desires. In the first place, the fact that a particular school is not to be opened in Vancouver until such and such a date does not of itself imply that the air training plan is running behind schedule.

Mr. GREEN: This report says it will not be ready until next year.

Mr. ROGERS: If I may just go on with my explanation, the air training plan as outlined to us—I want to emphasize this again—by the United Kingdom government embraced a development over a three-year period. That was a plan which was put to us at a time when the British government was of the opinion that we should plan for a war which would continue for three years.

Mr. ROWE: When was that plan put forward?

Mr. ROGERS: It was put to us in October of 1939.

Mr. ROWE: Would the minister not say that the present crisis might accentuate the need for training?

Mr. ROGERS: Most certainly, and if my hon. friend will permit me to continue, I think I can satisfy him on that question as well. I merely wish to point out that the air training plan was worked out on a basis which provided for the progressive development of air training schools right across this country during this three year period. In the nature of things the government decided that it would develop first the schools at its own military aerodromes. It would then develop further the schools at aerodromes made available by Trans-Canada Air Lines. These aerodromes were already in a position to supply facilities for training purposes. It was decided that we would then continue with the construction of new aerodromes, which would become available as and when required. I can assure my hon. friend that the schedules that were worked out by the various air missions, those of the United Kingdom, Australia, New Zealand and Canada, were followed faithfully up to the

present crisis. Until that time the members of the various governments that made up the supervisory board followed the progress of the plan and expressed satisfaction with that progress.

Having said that, I agree at once with my hon. friends that the grave situation which has developed in recent weeks presents us with a new problem, not only in relation to the air training plan but in relation to all our plans, for both military and naval operations. The Minister of National Defence for Air has already given to the house his statement that every possible means will be taken to expedite the output of pilots and air men, either within or outside the plan. I need hardly say that that is the wish of this government, as it would be the wish of any government in the face of the situation which confronts us at the present time.

Mr. GREEN: It really does not do much good to blame the British government. Perhaps we should blame our own parliament as a whole, but certainly the Canadian government is not free from blame.

Mr. ROGERS: I am simply stating the facts.

Mr. GREEN: The minister made no mention of the air training fields on the prairies.

Mr. ROGERS: If my hon. friend will permit me, although my colleague, the Minister of National Defence for Air, can answer this more effectively and it is his responsibility; provision has been made to go ahead with the construction of these aerodromes this year in advance of the schedule.

Mr. GREEN: Will either minister say whether or not they are to be completed this year so that they can be used?

Mr. POWER: The decision has been arrived at to proceed with these aerodromes this summer with the greatest possible expedition, even though under the original scheme and plan they were not to be done until next summer.

Mr. GREEN: There are no fields that will not be completed until next year?

Mr. POWER: Not if we can help it.

Mr. ROWE: When were the qualified pilots supposed to be turned out from the commonwealth air training scheme itself?

Mr. HANSON (York-Sunbury): As originally planned.

Mr. POWER: There is a schedule. I would have to consult to ascertain whether I am at liberty to give the exact dates at which the first or second or any other class of pilots were to be turned out. But they will be turned out on schedule.

Mr. ROWE: It appears to me that this strikes at the vital principle in our whole air training scheme. We are told now, or the impression is given that we cannot march any faster than Britain dictates that we shall.

Mr. ROGERS: That was the original position. That was the position.

Mr. ROWE: I would hope it is not the position.

Mr. ROGERS: It is not the position.

Mr. ROWE: Because it is only a short time ago that we were told in this house that we must have full control, full management, full ownership and full operation of our military affairs. Surely now, when the crisis has arrived, we can at least give our maximum, whether or not it is the minimum required by the mother country.

Mr. POWER: It may take a little time to answer, because this whole air training scheme is complicated, and perhaps the committee will bear with me if I am not as clear on it as I might be. But in any case approaches were made to the government of Canada some time towards the end of September, 1939, by the government of the United Kingdom asking the government of Canada, with the government of Australia and that of New Zealand, to join in a plan for the development of air pilots, gunners and observers. That plan was definitely a long range plan. There was a great deal of discussion. Missions came here from Great Britain and from the other two colonies interested in the scheme—I mean dominions.

Mr. HANSON (York-Sunbury): That word is taboo.

Mr. ROWE: It is acting like a colony now.

Mr. POWER: I would ask my hon. friend if he prefers Canada, in a colonial status, to be told what to do, or to sit down at a conference table and talk, as he would in any other business transaction.

Mr. ROWE: I was saying that we were acting like colonials.

Mr. POWER: We are acting as a partner in a business transaction. Only now it may be that we may have—out of a sense of duty and loyalty—to carry more of the burden than originally it was anticipated we would have to carry.

Mr. ROWE: I would hope so.

Mr. POWER: The plan was agreed to in December, 1939, and a contract signed by all the parties to it. It calls for a wide expansion in the air training programmes of each of the three dominions, and for joint training in Canada in the more advanced stages of pupils from Canada, Australia, New Zealand and the United Kingdom. Practically all air recruits in the United Kingdom were to be trained at home. Practically all of those in Australia were to be trained at home, although Australia, New Zealand and Great Britain were to send a proportion of their trainees here for their advanced training. All of the Canadian trainees were to receive their training in the Dominion of Canada.

The initial and elementary training was to be carried on in Canada for Canadian pupils only. I will not go into the question of how those trainees are to be selected. The training programme contemplated making full use of the existing facilities of the Royal Canadian Air Force, and the aerodromes which the Department of Transport had developed for the use of the Trans-Canada Air Lines. In addition, it was considered necessary to proceed to the construction of a very large number of new aerodromes in different parts of the dominion. When the programme is in full operation, some eighty-seven aerodromes, including relief landing grounds, will be required.

Work of constructing these aerodromes has been taken over by the Department of Transport on behalf of the Department of National Defence. Large supplies of equipment and stores will be needed. In each of the sixteen service flying training schools, there are required 108 planes, approximately. Twenty-seven machines are needed for each of the twenty-six elementary flying training schools, and ten observer schools call for twenty-four aircraft per unit. Ten bombing and gunnery schools require seventy-five machines each. Aircraft for two air navigation schools call for forty-eight machines each.

The United Kingdom, in connection with her part of the cost of the undertaking, had agreed to supply most of the aircraft, including engines and spares. Apart from the aircraft supplied by the United Kingdom, the light aircraft for elementary training and a portion of the other aircraft will be made in Canada.

The aircraft to be made in Canada will be included with the other costs in the air training programme, which is to be divided between Canada, Australia and New Zealand in proportion to the use to be made of the various facilities by the pupils of the three countries. This means that excluding the cost of the aircraft provided by the United Kingdom Canada will bear the cost of the initial and elementary training in Canada and about four-fifths of the remaining costs of the programme.

The duration of the agreement is until March 31, 1943. This may be extended. For the fiscal year 1940-41 we are asking for a net of approximately $124,000,000. The direction and control of the air training plan are vested in the Minister of National Defence for Air.

There is a supervisory board of the four partners in the scheme. The supervisory board has one representative from Great Britain, Sir Gerald Campbell, and with him is associated his technical adviser, Air Vice-Commodore McKeen. Sir William Glasgow is from Australia, and from New Zealand there is Group Captain Izitt. The Canadian representatives are the Minister of Transport (Mr. Howe), the Minister of Finance (Mr. Ralston), the Minister of National Defence (Mr. Rogers), together with the chief of the air staff, Air Vice-Marshal Croil, and Air Commodore Johnston, the head of the training organization. The supervisory board meets every month and reports progress on the scheme.

Perhaps I ought to say that the plan is intended to provide an ever-increasing flow of trained pilots, air observers, and air gunners, whose arrival in England would coincide with the expansion of her aircraft production and equipment manufacturing facilities, along with her purchases of these from abroad.

The work is proceeding accurately, and according to plan. Aerodromes are being surveyed or developed, and some are already in operation. Many types of buildings are in process of construction. Some are already constructed. Hangars have been selected, and public buildings or institutions have been taken over. Every province of the dominion is represented in this air training scheme.

There is a real need for intensive air training. It is commonly thought that all that is necessary to train a service pilot is to teach him to fly an aircraft of any type.

Mr. BROOKS: How long does it take to train a pilot from the time he commences as a raw recruit until he is turned out as an experienced pilot, fit to go to the front?

Mr. POWER: I should be very glad to place that information on *Hansard,* and not only that but also the steps which are necessary. I believe at first there was some hesitation in stating the number of weeks which were required to carry a pilot through the various stages. But since it has been bruited abroad, and even mentioned in a number of speeches, I have discussed with the officers of the department the advisability of placing

the information on *Hansard*. Although I have not the information before me, I have it upstairs, and will place it on *Hansard*. It consists of a chart indicating how long the pilot remains in the initial stage, how long in the elementary flying school, how long in the intermediate school, how long in the wireless school, the observers' school, the bombing and gunnery school, and so on.

The scheme in graph form gives a better picture of it than any description which I have been able to read up to the present and it appears on page 256.

Mr. ROWE: The minister mentioned elementary schools. Are any such schools in operation now?

Mr. POWER: I think there are two, although I shall have to check on that. I believe there are two in operation by contracts with flying clubs. There will be twenty-six in operation when the scheme is completed.

Mr. ROWE: Could the minister tell me where they are?

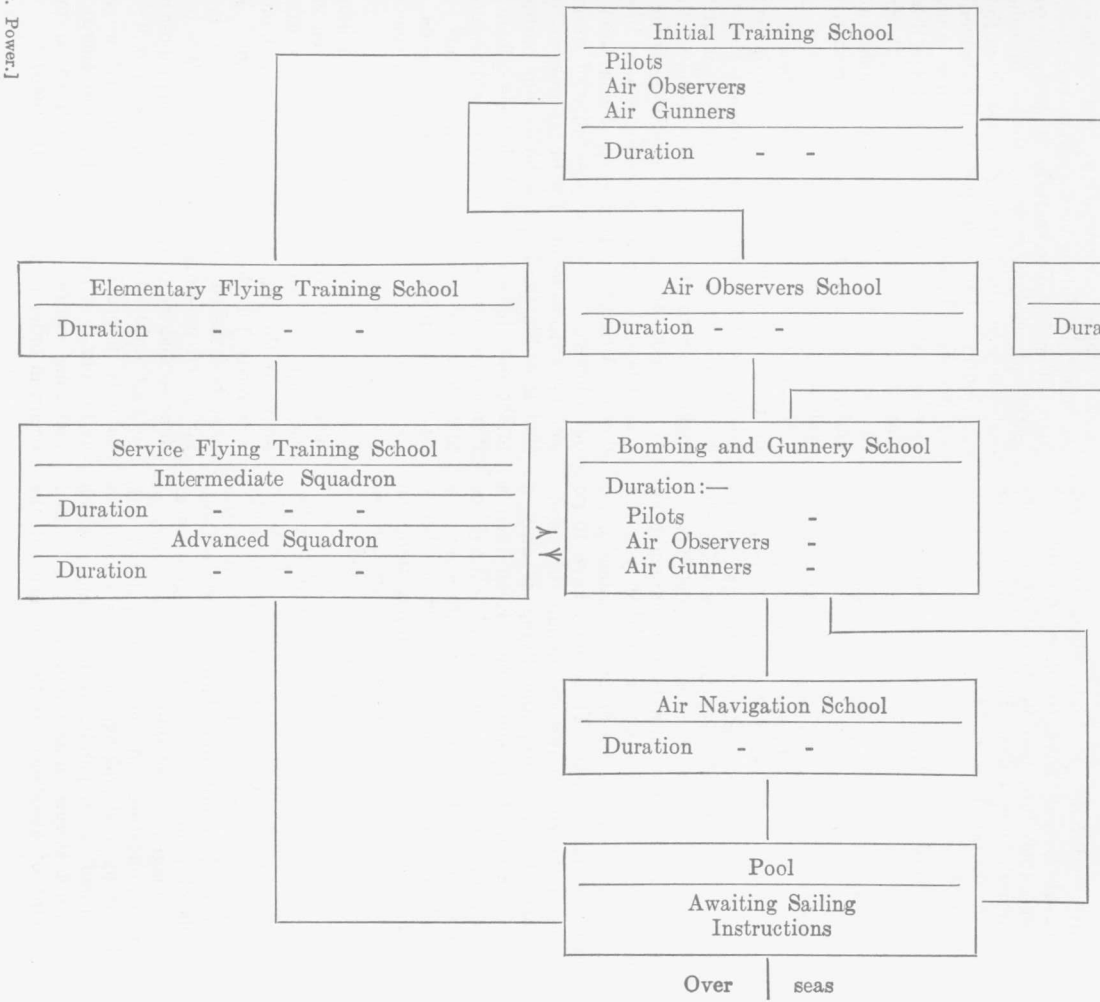
Mr. POWER: There is one at Malton. A contract has been entered into with the Toronto flying club to carry on an elementary training school at Malton. Perhaps my hon. friend the Minister of National Defence is more familiar than I am with the details. In any event, what I wish to impress on the committee is that you cannot just take a man and teach him how to fly and make an air pilot out of him, any more than you can make a wireless operator or a bomber or an observer out of him. These men have to go through the course just as though they went through a university, and flying is only a small part of their education. Even then a man's full time at the school cannot be devoted solely to flying. There are a number of subjects of a service nature such as theory of flight, air firing, bombing, navigation, the study of aircraft engines and air frames, all of which enter into the curriculum and must be mastered by the pupil before he can graduate as a service pilot. The training plan syllabus has been drawn up after years of experience and provides that these subjects be covered progressively. The fact that the training plan does not immediately produce thousands of pilots, observers and air gunners as if by magic is probably no fair criticism of the organization. As has been pointed out, this is an undertaking, so far as Canada is concerned, of unparalleled magnitude, which aims, not at furnishing momentarily a limited amount of assistance to the air arm of the British empire, but at playing a major part in establishing complete air supremacy for the British commonwealth.

I realize—no one realizes it more than I do—that a plan such as this is not of the greatest possible benefit at a moment of crisis such as has arisen at the present time. The plan was conceived by the British government and submitted to us in Canada. That there will be difficulties in carrying it out to the letter goes without saying. The rapidity with which the war upset prearranged plans is obvious to all, and it may be necessary before long to make modifications to suit changed conditions. Any situation which would prevent the United Kingdom from fulfilling its part would necessitate an acceptance of even greater responsibilities by Canada and the other dominions who are partners in the plan. For instance, certain supplies of aircraft and equipment were to be furnished exclusively by the British government as their contribution. Up to the present the deliveries required have been made, but no man knows to what extent the development of hostilities may interfere with these deliveries. It may be necessary to enter into commitments and undertakings not foreseen last December, or even three weeks ago.

Not only is every consideration being given in this regard, but definite action is being taken, the details of which I cannot give the committee at the present time. I want to make clear to the committee, however, that we are not sitting down quietly awaiting a time when the entire machinery may break down. Alternate schemes are being thought out wherever there is a possibility of suspension or postponement. Up to the present, and that is within the last few hours, our partners in the plan have requested that we adhere to it in all particulars permitted by circumstances, and we are doing so, but that has not precluded us from making such provision as should be made to speed up and accelerate every phase of it.

That is the situation. It was a long range plan, carefully conceived, and was to be carried out with care so that the pilots would arrive at the time that the proper equipment was ready for them on the other side. We have been asked to adhere to that plan in so far as circumstances will permit. We have done so and we are doing so, but we propose not to wait until something happens in order to have to improvise a new plan, and we are giving our best thought and all our energy to preparing against such eventualities as may occur, in order to accelerate the plan.

BRITISH COMMONWEALTH AIR TRAINING PLAN
CHART SHOWING SEQUENCE OF TRAINING



TOTAL COURSE

Pilots - - - -	28 Weeks
Air Observers - -	26 Weeks
Air Gunners - -	32 Weeks

NOTE—Two weeks of the eight spent at bombing and gunnery school as indicated by arrows.

Mr. ADAMSON: May I point out to the Minister of National Defence for Air that the Toronto flying club at Malton, which is the largest flying club in Canada, has had so far only thirty-five students joining up with the club, and in the last month no students have joined the club to receive their initial training at Malton. There are a sufficient number of what is known as *ab initio* trainers at Malton, and they have their plan and their planes and their instructors all ready, but they have not had a sufficient number of students to utilize the plan to the full. I bring this to the attention of the minister.

Mr. POWER: I shall be very glad to check that and give my hon. friend a reply to-morrow.

Mr. ROWE: I do not wish to speak of this matter in any critical way, or to review our past failures in connection with it. But it seems to me rather a sad spectacle that we cannot now move any faster than we can get certain parts from the old land. If we are running true to form as a self-governing country with such special characteristics in the way of sovereign rights and with so special a type of political sovereignty as was expressed in this chamber two or three years ago, when this scheme might have been started, why have we not done more? I will not enlarge on the subject, because I have already spoken about it. But it does appear to me that the Minister of National Defence for Air, who is just as aggressive as anybody, and proved to be so before, in a similar cause, should give careful consideration to the advisability of not only speeding up the training of air pilots but developing our air fields throughout Canada.

Mr. POWER: That is being done.

Mr. ROWE: Having some knowledge of practical operations, I am not at all satisfied with the state of our air training fields throughout the dominion, some of which, although the minister did not mention the fact, I have reason to believe are not planned to be completed until 1942.

Mr. POWER: There were some fields, under the plan and scheme as laid down by the partners, which were not planned for completion until 1942, but I have already stated to the committee that we are going to endeavour to complete each and every one of them this summer.

Mr. ROWE: That is encouraging. We have had much information to-day which is encouraging. I am glad that the crisis, if not the disaster, to say nothing of what has been said from this side of the house, has shocked the government into some action. And I know, we are all one with regard to the purpose which we are all anxious to achieve. As regards the contracts which are now being let for air training fields to be completed in November or December, I believe, having some knowledge of these matters in operation, that the fields could be completed in half the time.

Mr. POWER: If the hon. member will tell me the names, I will tell the Minister of Transport, and we will hustle them along. We will all work together.

Mr. ROWE: I shall be very glad to do so. Mr. Chairman.

Mr. POWER: There is nothing I am more anxious to know.

Mr. ROWE: I shall be very glad to tell the minister privately of some that I am aware of.

An hon. MEMBER: He would not talk to you about it.

Mr. ROWE: My hon. friend says he would not talk to me about it. I have known the minister longer than my hon. friend has, and I think he will. The end justifies the means. There is an old saying that we are daughter in our mother's house, but mistress in our own. We must branch out in a time of crisis and show that we have some initiative. Two or three years ago we could not branch out because if we ventured to do so, the question of our sovereignty came up. Now that we are working in close cooperation with the rest of the empire, I had hoped that we would not be deterred by any inability to move faster than they. Some hon. members have said that Britain and France have not gone ahead as rapidly as they should have done. Well, we should exercise our sovereignty, the political status that we have been talking about for years, and show some initiative ourselves. In that regard I am glad to know that the government are alive to the situation, at least to some extent, and that they are going to try to meet the conditions that are changing from day to day. I can assure them that they will get every cooperation from this side of the house.

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: Some of my hon. friends would not understand that, but this afternoon they heard many suggestions from this side of the house, suggestions which they might very well consider, with reference to alien enemies, for example, suggestions with reference to national registration, suggestions with reference to recruiting.

Mr. POTTIER: What suggestions did you make in 1939?

Mr. ROWE: I made some suggestions that the hon. gentleman did not agree with. We had some suggestions this afternoon from the hon. member for Haldimand with reference to foodstuffs. The hon. member for Lincoln gave a suggestion. Surely no one will suggest that it is not a matter of paramount importance to guard as carefully as possible a canal through which freight moves to the extent of 12,000,000 tons a year, and hydro power that serves the nation's industry. I could not help realizing at the time the catastrophe to which this country is exposed if anything happens in that connection. The minister and every other member of the government, especially those who had experience in the last war, must realize what a tragedy it would be if anything happened in those districts. We have seen the development of nazism and fascism; we have seen signs of espionage and sabotage, with all the cunning and subtle devices of the enemy. Surely we have had ample warning. We have seen eight or nine different countries overrun not only by nazism but by all the subversive influences that preceded its advance. I say, we should stop, look and listen.

An hon. MEMBER: You should be stopped.

Mr. ROWE: You have been stopped too long; that is the trouble. I repeat, the hour of crisis is here, and I do not wish for one moment to weary the committee with any review of what we have not done in the past—we have all made mistakes. I urge upon the government the importance of considering all these suggestions that have been made. It is what we are going to do in the future that counts. If it is the last thing I ever do in this house, I hope it will be to offer some constructive criticism at this juncture. I would therefore urge the Minister of National Defence for Air to give these questions his careful consideration. He was a worthy soldier in the last war and I have no doubt he is just as much interested now, but he has been involved in the complacency of the party surrounding him, and I fear some of the spirit which he showed then may have been killed. I think it is fortunate that two or three of the members of the cabinet experienced a similar grave state of affairs a quarter of a century ago, and if they are aroused we may find that they are capable of greater action than the public realizes. I am not speaking in order to save what is left of our party but rather to save the government themselves from their own iniquity. I would say to them: Give careful consideration not only to the general plea that has been made for caution but to the suggestion that you look into each individual contract and see whether, if a contract is to be completed by December, every effort cannot be made to have it finished by the first of October. With the machinery we possess to-day it is amazing what can be done. As a farmer, if I were not a member of the House of Commons, I could take any of the training fields and finish the work in half the time the government are asking the tenderers to do it in.

Mr. POWER: I saw a letter to-day from some municipality where I believe it is proposed that there shall be an air field, and I mention this because it is of some encouragement to me and bears on what is being discussed. That municipality requests that it be given permission to clear the air field by its citizens at their own expense. I mention this because we may get some offers from other municipalities who have been very anxious to have air ports. They said they would do it in two weeks.

Mr. ROWE: Certainly. There are two that are going to be cleared in my county. Rather than see the empire collapse, there are enough farmers in the district to clear them in a month. There are many things that we can do. The minister may recall the story told by the former member for Mount Royal. He told us that a rabbit climbed a tree when he was out hunting. Somebody had said the rabbit could not do it, but that rabbit had to climb the tree.

I do not wish to leave the impression that I am criticizing for the sake of criticism. I should like to leave some proposals with the government for consideration, because I am sure that some hon. gentlemen opposite are convinced of my sincerity. I would ask the government to consider the question of rushing these air training fields. Have them leveled off and prepared for service. Why be over fussy? I have heard the statement—it may be untrue, it may be only gossip, but I have heard it—that the inspectorship of aeroplanes that are being turned out is so extremely critical that objection is raised if there is a scratch on the paint on the outside of the chassis. I urge the minister to look into this matter. As a practical farmer I know that I can haul as many turnips in a wagon that is not painted as in one that is painted. We have a job to do; let us do it. The pilot is not concerned with the colour of the paint on the plane when he has to meet the blitzkrieg of the enemy.

With regard to the question of protection, which has been discussed by the hon. member for Lincoln, I suggest that every means be

taken to bring this entirely under the department of the Minister of National Defence, working in conjunction with the provincial police and the Royal Canadian Mounted Police. We have not half the protection we need. There are bridges between Canada and the United States that are not protected at all. The Royal Canadian Mounted Police are the pride of Canada just as the local police are the pride of every city. But, after all, we have only a small number of these men for this vast country. They are gallant fellows. Many of them have spent four or five years of the best of their lives, many lost their lives, and this would be as great a job as they have done in Canada for many years.

This national crisis is far too great for such a small force. In all sincerity I urge the government—and I am not critical because they did not do it yesterday, because I know the crisis of to-day is different from that of yesterday and perhaps to-morrow will be different from to-day—to give serious consideration to doubling that force, if necessary, to enlist the services of 10,000 ex-service men throughout this dominion. Scores of them are appealing to me every week for something to do. And a man who served in the last war, even though he be sixty years of age, if he is still reasonably fit physically, is of much more value as a guard of a bridge or canal or power transmission service than some young fellows of eighteen, twenty or twenty-two years of age with no military experience. These ex-service men have special value in a crisis. If Canada were invaded, such men would be of paramount value in dealing with swift mechanized assault that other countries have experienced. Their capacity for judgment and decision on the spur of the moment is of more importance than the capacity to endure three or four years of trench warfare. Many hon. members here would be unable to endure long marches, but for a blitzkrieg of two or three days the Minister of National Defence for Air would, I am sure, be of more value from his experience in the last great war than a man who might be able to stand twenty- four months of hardship in the cold, wet trenches. These ex-service men would be of paramount value not only for the protection of transportation and vital points, but if the occasion arose they could be used in other capacities.

Another suggestion to which I hope the government might give consideration is this. The Royal Canadian Mounted Police have done a great job; in many parts of this country if there are signs of subversive influences they would be appealed to. I believe they are the proper body to which to send complaints. But in my county I have not seen a member of the Royal Canadian Mounted Police in twenty years. I believe the same could be said of the adjoining county. Perhaps there are places where they are needed more. But if a man in such a district has working for him a nazi representative who is trying to spread subversive influences, to whom is he going to report it? He wonders whether he should report to the clerk of the municipality, to the county police, to the provincial police. I know for a fact some have gone to certain newspapers. The government might well consider setting up at different points throughout the dominion an organization or bureau, not of information but for information, consisting of returned men. I may point out that this would relieve the government. As the Minister of Justice said this afternoon, there would not be even the semblance of politics in it. I do not want to charge the Minister of Justice or any other member of the government with playing politics; I know how well they have played it in normal times, but I exonerate them from playing it in this time of crisis. But I believe that bureaux for information should be set up in places like Montreal, Ottawa, Kingston, Belleville, Toronto, and county towns as well. We have seen what these subversive influences have done in other countries far in advance of the invading enemy, and we have now these bitter experiences for our guidance. Our returned men stand ready clamouring for something to do, and their experience in the last awful crisis qualifies them to give leadership in this.

I hope these few suggestions may be accepted in the spirit in which they are made, not as criticism of what has not been done. This country is at war; now that the crisis is here, let us get on a war footing and realize that there are subversive influences at work in this country just as in other countries, and surely we can benefit from the experience of other countries in that regard.

Mr. GOLDING: Can the Minister of Finance or the Minister of National Defence give us some estimate of the cost of the British fighting machines?

Mr. POWER: If my hon. friend means the amount as measured by planes that are to be supplied under the plan, it is $180,000,000. That is the amount of the contribution of the United Kingdom government. Canada's contribution is $360,000,000, and Australia and New Zealand contribute in proportion to the use they make of the schools. That is over a period of three and a half years.

Mr. GOLDING: My question arises from a statement made by the hon. member for Dufferin-Simcoe (Mr. Rowe) the other night. I should like to know what the cost would be to manufacture these 25,000 British fighting planes. The hon. member said, as reported on page 182 of *Hansard:*

> I say that the government to your right, Mr. Speaker, will stand condemned on the pages of Canadian history for not having overseas in support of those gallant boys to-night at least twenty-five thousand British fighting planes.

I should like to know what the cost of 25,000 fighting planes would be, and the length of time it would take to manufacture, or to set up plants to manufacture, that sort of thing. We ought to keep in mind in discussing these matters the time it takes to establish plants for the manufacture of fighting machines or munitions. I had some experience as shop foreman in the plant at home during the last war. We got a contract for shells, I think in March, 1915; we had to set up the whole plant, tool the machines, and we were not shipping shells until November of that year. In addition, every machine operated in manufacturing the shells was manned by a person who had had no previous experience in machine work at all. We had to take the time not only to set up the plant and tool the machines but to train the men to operate them. Anyone who has gone through that experience will have some idea of the time it would take and the cost of setting up plants for that production. It cannot be done overnight. I am not saying this in a critical way. I just want the information, if I can get it, as to what would be the cost to Canada of supplying 25,000 fighting machines and the length of time it would take to set up plants to handle that production.

Mr. ROWE: The hon. member is asking the minister, but perhaps he will permit me to remind him that while I referred to fighting planes I meant that they would be piloted by Canadian-trained pilots. The scheme to which I had reference, according to my understanding and the general rumour throughout this country, and indeed in Great Britain, was that at that time Britain proposed to pay for the scheme herself and to train 25,000 pilots in Canada each year. Apparently our status would not permit that to be done, but now we are led to believe that same status permits us to move no faster than Great Britain asks us to move.

Mr. RALSTON: My hon. friend referred to this scheme the other night. I was not in the house at the time and I have not taken the trouble since to answer him. I really thought that what we were engaged with was the present, not the past. Since my hon. friend has mentioned this matter again to-night, however, perhaps we can just clear it up in a few minutes; at least let me say a word about it. I want to say to my hon. friend that I have examined the records, and that the largest number ever suggested by the British government in connection with the training of pilots in Canada was in the first part of 1938, when they suggested the training of 300 pilots a year; not 25,000 but 300. There is quite some difference between those figures.

Mr. HANSON (York-Sunbury): Is that proposal in writing?

Mr. RALSTON: That suggestion was submitted to the Royal Canadian Air Force; and if I remember correctly, according to the records the answer came back that instead of 300 the number might be 235, I believe 201 for Britain and 34 for Canada. That proposition was submitted to Britain, and they came back with the suggestion that the number should be 135. I should have said that when the Prime Minister made the statement in this house to the effect that he felt this should be a Canadian scheme, instead of its being suggested in the British house, that never again would Great Britain ask Canada for anything, the Minister for Air, Sir Kingsley Wood, thanked Canada for that offer. I believe that statement was made in the House of Commons and placed upon *Hansard*. Finally, the arrangement was made for 50 pilots a year, and in 1939 this house voted $6,000,000 for the cost of that training.

That is the story with regard to the training of British pilots, as I read the records. So I do not think there is much point in anyone going back and talking about 25,000 pilots a year in connection with that previous arrangement, or saying that if the scheme had been in operation now, the training would have been completed and we would have had 25,000 pilots or any such number over there to-night if that scheme had been carried out. In point of fact, it was suggested that this should be a Canadian scheme, and the number was changed as the result of discussions carried on from time to time, discussions in which the British high commissioner participated all the way through. The British government thanked the Canadian government and accepted the proposition for the training of 50 pilots a year. That is the story with regard to that previous air training scheme, and this house voted money for it, together with money for the training of Canadian pilots.

I have taken this much time to deal with this matter because my hon. friend has seen fit to refer to it once more. One further word and I have finished, because I am going through with this bill no matter what my hon. friends say in criticism with reference to the past. My hon. friend used one other word to which I want to refer. He used the word "complacency." If there is any word I dislike, it is that word "complacency;" and if there is any word that is foreign to my nature, if I may be pardoned for saying so, it is that word "complacency". Whatever may be my shortcomings, I do not think I can be accused of that. I am not satisfied with what goes on even in my own life, or with anything else that goes on around me. I think perhaps I may claim the reputation of being somewhat of a troublesome person, in that I am all too seldom satisfied with things as they are.

Mr. ROWE: I did not charge the minister with that. I said he was surrounded by a certain amount of it.

Mr. RALSTON: My hon. friend did use that word "complacency".

Mr. ROWE: I did not refer to the Minister of Finance or to the Minister of National Defence for Air.

Mr. RALSTON: Then I have taken it to myself as a member of this government; for I have been here since September, and I accept my share of responsibility for what has taken place since that time. I say that is not a fair word. We endeavoured to work out a plan which we believed was sound, sane, forward looking and far-reaching, and indeed a heavy plan for Canada; and we have tried to carry out that plan to the best of our ability. We have not slacked on it for a moment. The ministers who have been engaged in carrying out that plan have done their level best in connection with it. I am not at all worried about what history may say. The thing I count as worth while in life is this, that if a man has in his own heart the feeling that he has done the best he could, it does not matter what history says. That is my feeling, and I say we have endeavoured to do the very best we could in connection with what we regarded as a full sized job for Canada.

Now, after having approved the first and second divisions and the ancillary troops which have gone overseas; after having increased the naval forces as we have; after having increased the air force; after having provided for the defence of the east and west coasts; after having undertaken the air training scheme and carried it forward to the extent that has been mentioned to-night, namely, having it right up to the minute as far as the development of the necessary institutions is concerned; after having carried out our economic policy; after having carried out our industrial policy and industrial development, a crisis has come upon us and we have to make many adjustments. I never agreed more thoroughly with the hon. member for Dufferin-Simcoe than when he said that if there was anything Canadians are noted for it was initiative and resourcefulness. I agree absolutely that if we cannot show initiative and resourcefulness in this crisis, we are not worthy of the name of Canadians Frankly, Mr. Chairman, I want to say to you, and through you to this committee, that this government has been trying as hard as men can try for the last fifteen days, ever since this crisis arose, to make every possible adjustment that could be made, in this plan or in anything else, in an endeavour to make the most effective contribution possible in the emergency which has suddenly loomed up. That is what we are busy with; that is what we are trying to do. Because one sits here listening to quite a bit of criticism of the government without replying, that does not indicate complacency on my part, I assure you; I felt that the most important thing at the moment was to endeavour to get this bill through and this money voted in order that we might carry on with the job.

Perhaps the committee will pardon me for having taken these few minutes to make clear the position as I see it. I say we have endeavoured, not just by day but by night as well, to ascertain what changes might be made to the best advantage; and I may say that sometimes we have made changes in the face of protests from those who felt that they knew more about this plan than we did, who believed that the plan which had been mapped out in a certain way, whether the air training plan or any others, could not be changed. We have applied our best judgment, as ordinary human beings anxious to do a job, and with a full sense of our responsibility. We have endeavoured to find different ways and perhaps short cuts whereby this plan and our other plans might be carried out more quickly and more effectively, because this, for the time being at least, has become a day to day business. Our programme is going on, but our programme has to be adjusted, has to be supplemented, has to be varied, has to be modified and has to be made to work if we can possibly make it work, because no one knows better than I do the crisis we are facing to-night. So I want to assure you, Mr. Chairman, and this committee that this is what we are endeavouring to do.

Constructive suggestions have come from all quarters of this house; I am perfectly free to acknowledge that valuable suggestions have come from hon. gentlemen opposite. It must not be thought that we have been asleep, that we ourselves have not been thinking, and that many things have not been worked out. We do not want any particular credit for it, but neither do we want any blame on the assumption that we have not been doing anything about it. We have been endeavouring to do our level best.

Now I have made this statement to you, Mr. Chairman, and to the committee. We are prepared to accept and act upon all the constructive suggestions we can possibly get from any quarter, and we welcome them. We welcome the cooperation we are receiving in this house, and I am only asking that hon. members, as far as possible, deal with the present, with the problems that are before us, with the situation that faces us. Let us together try to pull out; let us together try to fight this thing through to the end.

Mr. HANSON (York-Sunbury): Mr. Chairman, I am not rising for the purpose of continuing this discussion along the lines that it has taken. My own view is that it has gone far enough. The minister has got off his chest some things that doubtless he wanted to get off. I have no doubt that he and the government have been smarting under the criticisms which have been leveled at them from one end of Canada to the other during the last fifteen days, and in which the terms "inertia" and "complacency" found a most prominent part. Those terms did not originate on this side of the house; they originated in the public press long before parliament met. Having said that, let us see if we cannot get back to the bill. I shall try to help the minister make some progress in getting this bill through parliament. This discussion, which seems to have got into a by-path, arose out of a question which was asked of the Minister of National Defence for Air, as to the time it would take to turn out a trained pilot. I quite realize that it may not be in the public interest to give information on this point.

Mr. POWER: Perhaps I can give it; twenty-eight weeks for a pilot, twenty-six weeks for an air observer, and thirty-two weeks for an air gunner.

Mr. HANSON (York-Sunbury): I have been trying to work it out. I may tell the committee that I have had the privilege of reading the secret agreement, but I am not going to divulge anything contained in that because it was shown to me in confidence. I have been supplied, along with other hon. members, with a summary of the air training scheme. If hon. members will look at page seven, appendix one, they will see that there are seven categories of schools in the complete course of training. There are initial training schools, elementary flying training schools, service flying training schools, air observer schools, bombing and gunnery schools, air navigation schools and wireless schools. As I understand it, the training that might be given in these different schools could not be simultaneous. I would suppose that a pilot would have to go through seven different courses of training.

Mr. POWER: Not necessarily. For instance, the man who goes to a wireless school would be a wireless operator. He would not have to go to the navigation school.

Mr. HANSON (York-Sunbury): He would not have to do that?

Mr. POWER: He would not.

Mr. HANSON (York-Sunbury): He would not be an all-round air man if he did not go through the whole thing.

Mr. POWER: Some men are being trained as pilots, some as observers, some as machine gunners and wireless operators.

Mr. HANSON (York Sunbury): The second paragraph of appendix one contains the following statement:

> The flying training and air observer schools will be developed at rates which will provide for their peak capacity for training pupils being reached by the following number of weeks after the date of opening:
>
> | | Weeks |
> |---|---|
> | Elementary flying training schools.. .. | 4 |
> | Service flying training schools.. .. .. | 12 |
> | Air observer schools.. .. .. | 6 |

That makes a total of 22 weeks. That seems to be different from what the minister said.

Mr. RALSTON: I do not think all those schools deal with the same sort of pupils. An elementary training school and a service training school would be for the training of pilots, whereas the observer school would have nothing to do with the training of a pilot.

Mr. HANSON (York-Sunbury): I should like to have some explanation. I am frank in saying that I do not understand very much about this scheme.

Mr. POWER: I did not until I studied the chart.

Mr. HANSON (York-Sunbury): Perhaps if the minister would let us have that chart we could get some information which would

be of value. Could it be put on *Hansard*? We should like to know these things, provided it is in the public interest that they should be divulged. How long from the time a man signs on is it until he becomes a useful air man and is sent across the water?

Mr. POWER: Twenty-eight weeks for a pilot; twenty-six weeks for an observer, and thirty-two weeks for an air gunner. It may be the other way round, but I shall have the figures for my hon. friend.

Mr. HANSON (York-Sunbury): This agreement was signed last December and we are now into May. Can the minister tell us how the time schedules are running in the different categories and how many student pilots have been taken on? Are we still at the beginning of that stage?

Mr. POWER: Up to the present every school has opened on schedule; every class has entered the school on schedule; every graduating step will be taken on schedule; every airport has been ready on schedule, and every aeroplane that was required in the particular scheme has been ready on schedule. In so far as I am aware—and I have made strict inquiries within the last few days—we shall have no difficulty for some little time to come either with regard to opening schools, with regard to instructors or with regard to the necessary equipment. But in some little time we may have considerable difficulty.

Mr. HANSON (York-Sunbury): That is not my point.

Mr. POWER: That difficulty may arise out of the crisis. I thought that was understood. Does that answer my hon. friend?

Mr. HANSON (York-Sunbury): In a measure it does. Is the minister able to say that men are now being trained under this scheme? When will the first man go forward? That would help me.

Mr. POWER: I would rather not say.

Mr. HANSON (York-Sunbury): If that information is not in the public interest, I will withdraw my question.

Mr. POWER: I have been asked not to say when the first will go forward. Certain things will arise out of the present crisis, but up to that crisis everything was up to date. We may have to change the plan considerably, and if we do we shall endeavour to keep the output as high as possible. We will probably accelerate the plan even though it has to be done at the cost of some part of the plan which is more in the nature of a long range programme.

Mr. HANSON (York-Sunbury): I would suggest to the minister that he give consideration to adding to this bill a section numbered seven providing that a detailed account of the sums expended under the authority of this measure shall be laid before the House of Commons of Canada during the first fifteen days of the next ensuing session of parliament. I think parliament ought to be informed as to what moneys have been spent.

Mr. POWER: That would not refer only to the air training scheme?

Mr. HANSON (York-Sunbury): To the money expended under this bill.

Mr. O'BRIEN: Section three reads:

> The government of Canada may act as the agent of the government of any British or foreign country—

I am wondering if there is any closely coordinated contact as between the government of Canada and the other governments in connection with the supply of materials for use overseas. Is there close cooperation between this government and the ministry of supply in the United Kingdom and the government of France? If not, I think it would be advisable to have the closest cooperation.

I, along with many others in the constituency which I represent, am engaged in the lumbering business. We have noticed that there seems to be considerable confusion in respect of material wanted. At one time I believe Mr. Harris in the ministry of supply published a lengthy statement showing the quantity of material which might be required by the United Kingdom government. That list showed billions of feet of lumber and an enormous yardage of linoleum, as well as other articles.

In a short time we in the lumber business discovered that purchases had been virtually stopped, on account of the fact that the exchange problem became serious. I believe that not only in connection with the lumber but also in connection with agricultural and other products we in Canada are in a sort of fog, because we do not know just what is required. While I do not speak from a selfish point of view, I am trying to find out what we may be able to do by way of giving them the supplies of which they may be in need, as well as maintaining the economic and social order in our own country. That applies in lumber as well as in agricultural products. It seems to me it would be most advisable, when Canada is looked upon as a storehouse, for the ministry of supply to have somebody on this side of the water so that direct contact could be made. Such an officer could speak with some authority.

There is this further point I should like to bring up at this time. In view of the disturbing news received from overseas from time to time, and particularly in the last few trying days, it would seem possible—and let us hope that this condition may not materialize—that events may create for us a very unhappy and uncertain condition in Canada. I believe the committee would appreciate assurance from the Minister of Finance that the government has foreseen such grave possibilities of national economic stress, and that in so far as it is possible to foresee such a deplorable condition, steps have been taken to absorb the shock, so that our economic and social life in Canada may continue, even if in a crippled condition.

Mr. RALSTON: With regard to the first point raised by the hon. member, speaking generally, the matter of the purchase of munitions and supplies by the British government in Canada is done through the British purchasing commission, which is and has been in Ottawa. The British purchasing commission, in turn, by arrangement with the Canadian government asked the war supply board to act for them, as their agent. That arrangement was made very early in the organization of the war supply board, and has been continuing, and such orders as have been placed for munitions and supplies have been placed through the war supply board.

The hon. member has been dealing with timber. As I understand it, timber has been purchased in Canada through a representative of the British timber control. I have been trying to remember the name of the gentleman; perhaps the leader of the opposition will remember. However, the gentleman I have in mind is living in Montreal, and represents the British timber control. As I understand it, they have been making arrangements direct with the various lumber concerns in Canada. So far as I know, there has been no arrangement with or through the Canadian government by the British timber control.

Mr. O'BRIEN: When the minister mentioned the organization in Ottawa, I believe he had in mind munitions, and not what might be described as civil goods. The gentleman to whom the minister referred might be Mr. Fensom.

Mr. RALSTON: Yes, I think so.

Mr. O'BRIEN: I believe he does not occupy an official position, but is the representative of eastern Canadian lumbermen. As a matter of fact, a pool has been formed in connection with the purchase of pit props, one of the articles required in great volume. They are on this side of the water at the present time, located at Moncton. We are also selling lumber privately through brokers in England, just as we always did.

As I said a little while ago, we were told that we could not possibly produce in the maritimes the volume of lumber which would be required. Then in a very short time it was discovered that the ministry of supply had stopped buying because of an exchange situation which had become difficult. It seems to me there is great uncertainty, and that if we had someone from the United Kingdom with whom the Canadian government could consult and from whom the individual exporter could obtain information based on authority, a great deal of uncertainty would be saved.

Mr. RALSTON: I believe Mr. Wiseman is the trade commissioner attached to the office of the British high commissioner. I do not know whether he represents the ministry of supply, as a single department, but I do know that he is the trade commissioner for the British government. Does my hon. friend know whether or not Mr. Wiseman has been consulted?

Mr. O'BRIEN: No.

Mr. RALSTON: I shall be glad to make inquiries about that, and about some other commodities which have been bought direct. I am sure that if we can get the British government to arrange coordination through one central bureau, it will be a substantial assistance for Canadian producers.

In respect of the other point raised by the hon. member I would say that the matter is receiving attention from hour to hour. We are trying to see as far ahead as we possibly can, and make plans accordingly.

Mr. GREEN: Apparently the Minister of National Defence for Air is planning to rush the construction of training fields this summer. Would it not be of assistance if the government were to recruit works battalions to help with that particular undertaking? The older men might be used, or those younger men who have been rejected for the active service force. It would serve the double purpose of hurrying up the work and also giving these men a chance to feel that they are doing something for their country.

Mr. POWER: So far as the suggestion refers to airports, I shall be glad to refer it to the Minister of Transport, who is in charge of their development. In reference to the

construction work on hangars and aerodromes, I shall be glad to give it the most serious consideration.

Section agreed to.

On section 4—Loans authorized.

Mr. HARRIS (Danforth): Mr. Chairman, in the discussion on the previous section I intimated that I would have a word or two to say on this one. The minister has already given the committee some idea as to what departments will benefit from the expenditure of this money. I believe he has given an estimate of $690,000,000, and he has $10,000,000 to spare. Probably he could tell the committee how he is going to raise the money—how much will come out of the consolidated revenue fund, on the pay-as-you-go policy, how much he anticipates from the war certificates, and whether he expects it is going to be necessary to put out a Canadian loan. I say "Canadian" loan because I gathered from his previous remarks that he is going to raise practically all this money in Canada. Perhaps when he gives us the break-down, he will answer the question as to just how these funds are to be raised.

While I am on my feet, let me express the hope that there will be no blocking off of a geographical area of Canada and handing it over holus-bolus to certain financial interests in certain sections, so that they in turn, when it is necessary to raise money on loan, will have allocated to them a section which, because it lends a good deal of money for causes of this kind, will enable them to profiteer in the raising of those funds. Similarly, if the minister has in mind to raise some of this money in the United States, I hope he will be cautious about allotting certain sections, for the raising of money, to certain bond houses to the exclusion of others—a condition which obtained during the victory loan campaigns of some twenty years ago.

Could the minister give us some idea now as to how the consolidated revenue fund is to be replenished to the extent of this $700,000,000?

Mr. RALSTON: I am afraid it is impossible to give the committee that information. Obviously the amount to be raised by taxation is a matter which has to be discussed when the budget comes down. The effect of the bill is that we ask that there be paid out of consolidated revenue $700,000,000, and my hon. friend is quite right in suggesting that I ought to be able to tell him how I am going to get it into the consolidated revenue fund before I get it out. Until the budget is brought down, I shall be unable to say what amount will be raised by taxation. Obviously, whatever amount is not raised by taxation will have to be raised by borrowing, and that borrowing, I confidently expect, will be done in Canada. I hope, unless there is some decided change, that there will be no possibility of attempting to borrow in the United States.

Mr. HARRIS (Danforth): Is the scheme which was outlined last night, relative to the war savings certificates that are on sale to-day, to provide part of this money?

Mr. RALSTON: The proceeds of the war savings certificates which were on sale to-day go into the consolidated revenue fund, and in so far as the consolidated revenue fund is "replenished"—to use my hon. friend's expression—by the war savings certificates, and in so far as there are no other demands, the amount we have to borrow under this bill will be just that much reduced. I was going on to say that such borrowing as is done under this bill will, I confidently expect, be done in Canada and will be provided from the savings of the Canadian people. I assure my hon. friend, if I apprehend his reference correctly, that the greatest of care will be taken and no monopoly will be given of certain areas of this country or any other country for the purpose of the disposal of bonds or for the making of profits in connection therewith. The results of the two hundred million dollar loan which was made in January, and which, by the way, was a united effort of the Canadian people in which the government received the fullest cooperation of public men of all shades of politics everywhere in the dominion, and the record made with regard to the matter of distribution, will, I hope, be some indication and some assurance to the committee that the evils to which my hon. friend has referred will not be found in any flotation under this particular measure.

Mr. HARRIS (Danforth): As the story we got last night indicated that there was very little cost involved in this war savings certificate issue, and as we know that there is considerable expense in the flotation of a loan of, we will say, $500,000,000, probably the minister and his advisers had some idea before they started as to what the result was going to be. To my mind the selling of these certificates is something which does not go ahead with a great deal of enthusiasm. People have to be educated. Perhaps for once the school children will be educating their parent that they ought to go out and buy a $500 bond. I should like to know what propaganda or what effort is being put forward by the

Department of Finance to stimulate this admirable method of raising funds. If one million homes took their maximum, that is, if all the homes in Canada participated, you would not have enough to provide your quota of $700,000,000. I suggest that some definite plan to stimulate the idea of the war savings certificate should be carried right through, so that there will be no decline in the enthusiasm which we are trying to inspire. The movement to-day, as the minister knows, is quite slow. I do not say that by way of destructive criticism; I couple with that statement the thought that it is a slow movement because the people have to be educated. I hope the finance department has some definite plan to push the idea right along so that the maximum of money at the minimum of expense will be raised by this means. Could the minister give us an idea of how much money he expects to get from these sales of war savings certificates?

Mr. RALSTON: I appreciate my hon. friend's reference to the war savings certificates. He dampens my enthusiasm just a little when he speaks of the returns being slow to-day. At noon I saw both the national chairmen, and they were extremely enthusiastic with regard to what had taken place during the morning, and intimated that from a number of post offices and banks had come already applications for fresh supplies of application forms. Perhaps I took that as being better news than it really was. But my hon. friend sees pretty clearly what this job means. It is not like a war loan, in which you are over the top on Monday morning, and you are into the trenches and have carried the objective by Thursday or Friday night. This is a long pull, and my hon. friend is quite right in intimating that there must be, as he says, some stimulus or at least some "stick-to-it-iveness" in connection with the movement so long as it continues. I am one of those who hope it will continue after the war as well as during the war. Let me say to him that the general plan of organization is to have those two gentlemen, Mr. Beaubien and Mr. Somerville, as national chairmen. Then there are provincial chairmen, the names of whom I gave last night, gentlemen prominent in each province, who have gathered around them in the different provinces committees of different sizes, depending on local conditions.

With regard first to the schools, we have had, not a passive attitude, not just "God bless you," but the active cooperation of the provincial governments and the provincial departments of education. I anticipate that by the first of June, if not before, there will be in all the schools application forms for the students. I was reminded this morning—just to give an indication of the physical task—that in Ontario there are some 8,000 schools and 700,000 school children. That means getting packages done up and sent to all these schools, and when you multiply that by the number of schools and the number of pupils throughout the dominion, you realize the magnitude of the task.

This morning in practically every mail box over the whole dominion there were application forms; this morning in every post office and in every bank the same situation existed. The work with regard to the schools will be done in cooperation with the department of education and with the teachers. It will be one of the biggest tasks, and that is where we anticipate that there will be a system of regular saving built up to last, we hope, during the war.

Perhaps some hon. members have seen the application form. It is rather an unusual document, being a combination of envelope and application form (with rules and regulations set out in simple language), so that one may sign the application form, put in one's four dollars, fold it up and mail it to the chairman; or if one has not four dollars one may open the form, buy a twenty-five cent stamp and paste it on; and when the sixteen spaces have been filled up, one can purchase a war savings certificate. It is a good many things in one. Some advertising will appear in the newspapers—some appeared this morning—and a programme has been mapped out to cover a considerable period of time. There will be special circulars for school children. Another circular will be sent to the children when the schools reopen in the fall.

In the meantime another large field is the industrial field, where we have the benefit of the services of men from the insurance companies. Some eight key men from the large insurance companies have given their services free, and in addition to that the insurance companies have assigned eight hundred of their salaried men, who are familiar with group insurance and who are best qualified for the purpose, to get in touch with employers and employees in business concerns throughout the country with a view to having a regular plan prepared of saving by means of deduction from wages. Then there are the retail outlets and the stores and farms, the people in the mining and lumbering industries and the fishing industry.

Mr. STIRLING: The Canadian Broadcasting Corporation?

Mr. RALSTON: Yes. Not only will there be the press and the Canadian Broadcasting Corporation, but we have secured, free, the

cooperation of all the branch radio stations and the film industry. The effort, therefore, will be a worth while one. The foundations have been thoroughly laid. It has involved a great deal in the way of planning and of physical equipment, and I wish to pay tribute to the men and women, the public authorities and all those generally who are cooperating so cordially to make the plan a success.

Mr. HANSON (York-Sunbury): I wish to congratulate the minister upon the appointment of a high type of citizen in New Brunswick, Mr. George E. Barbour, who will do everything he can to forward the aims the minister has in mind. I wish to call the minister's attention to the words in the sixth, seventh and eighth lines of section 4. The governor general in council may, "in addition to the sums now remaining unborrowed and negotiable of the loans authorized by parliament". This $700,000,000 is to be in addition to the sums now remaining unborrowed and negotiable. Can the minister give us an idea of what these sums amount to, so that we may know the gross borrowing power of the government under the legislation heretofore passed and under this legislation?

Mr. RALSTON: The other statute was the loan act of last year which authorized the borrowing of $750,000,000. The powers under that act were exhausted by the issue of about $20,000,000 of war savings certificates under the act. That was the balance left unborrowed of the $750,000,000.

Section agreed to.

On section 5— Orders and regulations.

Mr. MacNICOL: During the last few days I have had quite a number of letters with reference to the matter referred to in paragraph (b), "allowances to soldiers' dependents." I refer to the widowed mother of a soldier. There is also a daughter in the family. The young man enlisted and went overseas. He was paying his mother $12 a week or $48 or more a month. At the time he enlisted, so he states, the papers he signed were to the effect that his mother was to receive, in addition to the $20 assigned pay, $35 separation allowance. Since then the allowance has been cut because the daughter, it is said, is receiving a matter of $20 a week. The daughter claims that, having insurance and other expenses to meet, she cannot contribute to her mother's support, but the board takes no notice of that contention. The result is that the daughter has left home, so that there is just the mother at home, and all she receives is $10 in addition to the assigned pay. This is not a satisfactory state of affairs. It is bad to break up the family because an agreement of this kind is not carried out.

Mr. RALSTON: What was being contributed by the son?

Mr. MacNICOL: Twelve dollars a week before he enlisted.

Mr. RALSTON: Has the hon. member written to the board? Would he mind sending me a statement?

Mr. MacNICOL: Yes.

Mr. STIRLING: Why is paragraph (b) here at all? It is already covered by the existing statute. Why should it appear in this bill?

Mr. RALSTON: It is only precedent, so far as I know.

Mr. COLDWELL: There is a typical case which I might be permitted to put before the minister. A boy now seventeen years of age joined the signallers corps two years ago. When war came, he was instructed to report and he did so. He is now an orderly with the rating of a class A boy. He receives 70 cents a day—for a twenty-four hour day incidentally. My information is that all the soldiers' pay rates by classification have been proclaimed except the class in which this boy happens to be. Apparently this entire class has not yet been proclaimed. The father consented to enlistment. The boy assigned one-half of his pay. The parents are on relief in a province where very little relief is paid. They were getting $2 a week for their fuel this winter, and so far the father has received none of the assigned pay, no allowance of any description. It seems to me that this may be a typical case of a class and therefore I am bringing it before the minister in order that it may be looked into. The complaint is that this particular class has not been proclaimed.

Mr. RALSTON: My friend means that this class has not had a rate fixed according to a classification?

Mr. COLDWELL: That is right.

Mr. RALSTON: What class was it my hon. friend mentioned?

Mr. COLDWELL: Class A boy.

Mr. PERLEY: This section is very important. It gives wide powers to the minister, with the approval of the governor in council of course. I think the minister should make a statement with respect to the practice that

will be followed in letting contracts. I refer more particularly to paragraphs (c) and (e), which I read:

—the governor in council may, by order or regulation:—

(c) prescribe administrative practices with respect to contracts and agreements for the execution of any public work or for the acquisition of lands, buildings, equipment, stores, materials and supplies, by purchase or otherwise, for the use of the public service of Canada;

(e) prescribe administrative practices with respect to the making of financial commitments, the taking of security for the performance of contracts and agreements, and the recording and paying of accounts.

The minister should make a definite statement with respect to the practice that will be followed in order to protect the department in taking security or providing a drawback or holdback with respect to the contracts that will be let under this measure. Large sums of money will be spent; large contracts will be let. There was a practice followed in the defence department in 1939 of which I do not think the present minister would approve. He stated earlier this evening that he had been in this government only since September last. I know this committee would not approve of the practice of which I speak. The practice was complained of by the auditor general in his report for 1939 just tabled last week. At page 236 he says:

Cost plus contract, payment of holdback prior to completion of work—vote 184.

I requested the department to inform me why the holdback provided by the contract for the construction of defence works was paid to the contractors before the work was completed. The department stated that the payment was made in order that "the funds provided in 1937-38 might be fully expended." I pointed out that the payment could not be justified on these grounds, and that by long established practice it has been customary to require security from contractors for the due performance of the work, either by a security deposit or a drawback on progress estimates, or both. The department replied—

This is the statement of the auditor general to which I desire to draw the particular attention of the committee and the minister:

—that in the case of this cost plus contract the interests of the department were well safeguarded and consequently the clause relating to the holdback had been deleted under the authority of the governor in council.

And the footnote is, "No further action was taken."

I do not think the minister would approve of that practice being followed, a contract let, an agreement made, then afterwards an order in council passed deleting the clause in the contract which provided a holdback as security for the government interest.

[Mr. Perley.]

Mr. RALSTON: I refer the committee to the statement made by the minister acting as Minister of Munitions and Supply on May 22, in which he set out the practice with regard to purchases made by the Department of Munitions and Supply, by which practically all the contracts referred to here will be let. The statement will be found on pages 129 and 130 of *Hansard*. The minister there indicates that the method of tenders and contracts and lowest competitive price is the practice. Where there are exceptions, he points out that it is where the entire output of the industry is needed; in that case the industry is asked to divide orders among its members, and we depend on the reports of the government auditors to fix the prices when the order is completed. His statement continues:

Those that have not been awarded by tender have all received the severe scrutiny of men who are not in the strict sense of the word government employees but are serving on the executive committee of the department without salary. In other words, one or more members of the executive committee of the department are required to initial any order placed except as the result of competitive tender where the low tender has been accepted.

The cost plus form of contract has been eliminated and where competitive prices cannot be established auditing firms are retained to examine manufacturers' costs to determine a fair price for the product. At times the suppliers' books are audited by chartered accountants both before the contract is completed and afterwards. All profits are kept to a level consistent with the competitive situation.

It is possible that there are better ways of allotting government contracts than by awarding the work to the lowest tenderer, but no one knows a better means of safeguarding the public interest. Business is placed without competitive tender only when a situation is found that will not permit competitive tenders being obtained, or when fair prices have been established in the locality by recent competitive tender. Where we have a recent tender for a certain amount of goods, and further goods of the same kind are required, the practice is sometimes followed of extending an order at the previous competitive price.

The committee can be assured that this practice will be followed, subject to this, that in the emergency the government has given to the Minister of Transport wider powers in order that he and his executive committee may, if necessary, close contracts or get work done more expeditiously, or in the phrase sometimes used, cut red tape. I feel that, generally speaking, we ought to follow well established procedure; but there are cases, and this is one, in which the government feel that there may be instances in which it is necessary, in the public interest and in order to expedite matters, that all the safeguards which are generally thrown around public contracts be

not exacted. In that case the government, and the minister acting as Minister of Munitions and Supply, will take and of course will have to take full responsibility. But I can assure the committee that the exceptions will be just as few as possible.

Mr. HANSON (York-Sunbury): This is a very important section, having regard not only to the amount of money to be expended but to the practice that has been followed heretofore. I read with a good deal of care the statement made by the minister on May 22 last. He admits the principle of public tender; he says it is possible that there are better ways of letting government contracts than by awarding the work to the lowest tenderer, but no one knows a better means of safeguarding the public interest. That is a very sound principle. I wonder what steps have been taken to safeguard the public interest by calling for public tenders. I am afraid that practice has not been followed very closely by the department. I am sorry the Minister of Transport is not here—

Mr. RALSTON: That statement will be on the record. I want to assure my hon. friend and the committee that the Minister of Transport is away on most important business.

Mr. HANSON (York-Sunbury): I have no doubt that is the case, and perhaps it would be just as well if the discussion were allowed to rest here until he comes. I have in mind this sort of thing: I am afraid the practice is still being carried on of having people on the selected list; that they are being asked to quote on certain things, and that the ordinary man who might tender does not know anything about the contract until it is let. It has been said that contracts have been let before tenders are called for, but I will not go that far. I have heard of a case under the provincial government of New Brunswick where a man was on the job before the time was up for tenders to be received. I know of one case of that kind personally, but I am not suggesting that this has been done here. I have in mind, however, a case where a selected list of contractors were asked to tender on a public work. The contract was awarded to one of three tenderers, and within twenty-four hours the company to which the contract had been awarded sublet the contract in its entirety to a fourth party.

Mr. RALSTON: Under the war supply board? Since the beginning of the war?

Mr. HANSON (York-Sunbury): Oh, yes; since the war. I do not like to tell my hon. friend the name of the party or where this took place, but it concerned an important defence work, the construction of fortifications.

Mr. RALSTON: I think I know what my hon. friend has in mind.

Mr. HANSON (York-Sunbury): That contract was let to a company which was not especially in that kind of business, and it was sublet by the successful tenderer to a first-class contracting firm. There is an unearned profit there to somebody, and that is not in the public interest. That is one sort of case. There are other classes of contracts that might be investigated a little further. On the whole I think we might have a profitable discussion, without acrimony, if this whole matter were to be left until the minister comes back. It is nearly eleven o'clock now, anyway. As a matter of fact, the section is so wide and sweeping that it occurred to me that we should consider it subsection by subsection. The hon. member for Yale referred to paragraph (b). I suggest to the minister that this is entirely regulated by existing legislation and ought not to be in the bill at all. In the meantime he might make some further inquiry in regard to this point.

Mr. RALSTON: With all due respect to my hon. friend, he is not going to get me to jettison anything in this bill that has been there previously if I can help it.

Mr. HANSON (York-Sunbury): There may be a reason for it, of course; but at first blush, if I may put it that way, there is no reason. Then I have been looking at paragraph (a) and wondering if we were putting aside entirely the provisions of the Civil Service Act. I understand that employees of the Department of Munitions and Supply and of the Department of National Defence are being secured through the civil service commission from approved lists of persons who have passed examinations and so on. This subsection, of course, simply puts aside the whole principle of the Civil Service Act. After all, these are civil employees.

Mr. RALSTON: If my hon. friend will permit me, under its statute the Department of Munitions and Supply has full power to make appointments without reference to the civil service commission, which is just the provision we have here. But the government has adopted a practice under which, although the government has the right to make the appointments, the matter goes to the treasury board which in turn refers it to the civil service commission, for the purpose of obtaining information before the appointments are recommended to the government. So, while my hon. friend says the Department of Munitions and Supply obtains its employees through

the civil service commission, that is by reason of the fact that the government, notwithstanding its power to make the appointments direct, itself voluntarily refers the matter to the civil service commission.

Mr. HANSON (York-Sunbury): Of course the fact that parliament has erred heretofore is no reason why it should err again. I think as far as possible, having regard to the exigencies of the case, we should stick to the Civil Service Act. I know there may be times when you cannot go through what I may call the red tape of having men or women appointed by the civil service commission, but still there is a principle involved even in war time. We know that under the Civil Service Act regard must be had for the approved lists, although the treasury board may take the last one on the list without taking the names in rotation. I think the minister should give further consideration to this point. Perhaps we might call it eleven o'clock now and let this whole section stand.

Progress reported.

On motion of Mr. Ralston the house adjourned at 10.58 p.m.

Tuesday, May 28, 1940

The house met at three o'clock.

VACANCY

APPOINTMENT TO THE SENATE OF THE MEMBER FOR WATERLOO NORTH

Mr. SPEAKER: I have the honour to inform the house that I have received a communication from several members, notifying me that the following vacancy has occurred in the representation, viz.:

Of Hon. William Daum Euler, member for the electoral district of Waterloo North, consequent upon his having been summoned to the senate.

I accordingly issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

EUROPEAN WAR

STATEMENT AS TO RECENT DEVELOPMENTS ON THE WESTERN FRONT

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the house will doubtless wish to have a statement with regard to the situation in Europe in view of what has appeared thus far in the press. I do not know that I could better express the situation as it exists than to read to the house the statement which was made by the Prime Minister of the United Kingdom in the British House of Commons this morning. The text of the Prime Minister's statement was as follows:

The house will be aware that the king of the Belgians yesterday sent a plenipotentiary to the German command asking for suspension of arms on the Belgian front.

The British and French governments instructed their generals immediately to dissociate themselves from this procedure, and to persevere with the operations in which they are now engaged.

The German command agreed to the Belgian proposals and the Belgians ceased to resist the enemy's will at four o'clock this morning. I have no intention of suggesting to the house that we should attempt at this moment to pass judgment on the action of the king of the Belgians in his capacity as commander in chief of the Belgian army.

This army fought very bravely, and both suffered and inflicted heavy losses. The Belgian government has dissociated itself from the act and declared itself to be the only legal government of Belgium and formally announced its resolve to continue the war by the side of the Allies, who came to the aid of Belgium on her urgent appeal.

Whatever our feelings from facts so far known to us, we must remember that that sense of brotherhood between the many peoples who have fallen into the power of the aggressor and those who still confront him will play its part in better days than those through which we are passing.

The situation of the British and French armies now engaged in a most severe struggle and beset on three sides and from the air is evidently extremely grave.

Surrender of the Belgian army in this manner adds appreciably to the grievous peril, but our troops are in good heart and fighting with the utmost discipline and tenacity. I shall, of course, abstain from comment on what, with the powerful assistance of the royal navy and the royal air force, they are doing or hope to do. I expect to make a statement to the house on the general position when the result of the intense struggle now going on can be known and measured.

This, perhaps, may not be until the beginning of next week.

Meanwhile, the house must prepare itself for hard and heavy tidings. I have only to add that nothing which can happen in this battle can in any way relieve us of our duty to defend the world cause to which we have bound our-

selves, nor can it destroy our confidence in our power to make our way, as on former occasions in our history, through disaster and grief to ultimate defeat of our enemy.

THE MINISTER OF JUSTICE TO ACT AS LEADER OF THE HOUSE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in view of the gravity of the situation at the moment I would ask the house if it would permit me to adopt a course which has been found necessary in Great Britain and which was found necessary in this country during the last war, namely, to delegate to one of my colleagues the responsibility of leading this House of Commons for the greater part of the time in order that in my position as Prime Minister and Secretary of State for External Affairs I may have the needed time and opportunity to give the concentrated attention, the study and thought to the many questions that are presenting themselves to the government as a whole, and to deal immediately with many situations that are becoming more pressing every moment.

My right hon. friend and colleague the Minister of Justice (Mr. Lapointe) has at different times, and for the greater part of the last session of the previous parliament, filled in my absence the position of leader of the government, and he has kindly consented to take on that task at the present session. My right hon. friend the Minister of Justice has, however, also very heavy duties at this time, as all of us have who are members of the war committee of the cabinet, and it may be that he also will be obliged to be absent from the house on occasions for a considerable period of time. In view of that possibility I have asked my colleague the Minister of Mines and Resources (Mr. Crerar) if he would take on the duty of second in command, to lead the house in the absence of the Minister of Justice and myself.

Perhaps I need not say to hon. members that no members of the government are more taxed at this present time, and likely to be more taxed in their duties during the session, than the ministers of national defence. They are and will continue to be obliged to give considerable of their time to conferring with members of their own departments in dealing with the many critical situations with which they and all of us are faced. I hope, therefore, that it will be possible so to arrange the business of the house that measures which relate immediately to war effort can be brought on and discussed at times when it may be convenient for my colleagues the ministers of national defence or myself to be present in the house; and if by any chance their presence will be required elsewhere on short notice, that the house will understand the reasons why they also may have to absent themselves for a considerable portion of the time.

Those, I think, are the only matters upon which I wished to speak immediately. I might add that this afternoon I would like to have the opportunity of conferring almost immediately with certain of my colleagues; and in the arrangement of the business this afternoon it might be understood that some of the bills other than the one which was yesterday before the house, and which are on the order paper, would be taken up first. We could return a little later in the afternoon to the bill with respect to the appropriation for war purposes.

Hon. R. B. HANSON (Leader of the Opposition): I was not unprepared for the announcement which the Prime Minister (Mr. Mackenzie King) has just made. A day or two ago he intimated to me that owing to the seriousness of the situation and the consequent tax upon his time it would be almost impossible for him to give to the affairs of the House of Commons the attention which he has given in previous sessions. I can appreciate that, and I believe that all members of this house will be prepared to excuse him from attendance, except perhaps upon the most important occasions. As I have intimated more than once, we shall try to facilitate in every way the business of the house. I am sure that the Minister of Justice (Mr. Lapointe) who will be taking the place of the Prime Minister as leader of the House of Commons, is quite capable of carrying on the business of the country.

With respect to the suggestion that the two ministers of national defence may find it necessary to be absent, I can quite understand that, but I should like to say that we would not care to excuse them entirely from attendance when measures which they are promoting and in which they are vitally interested are before the house. I do not think that I can add anything further on this occasion.

Mr. MACKENZIE KING: I thank my hon. friend.

NATIONAL DEFENCE

QUESTION OF REFERENCE OF WAR APPROPRIATION BILL TO COMMITTEE—FURNISHING INFORMATION TO MEMBERS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): The Prime Minister (Mr. Mackenzie King) intimated last week that a committee might be appointed to which the government might communicate certain information. I believe that everyone who is in the house this afternoon feels a sense of grave responsibility, and I am urging upon the government that this parliament be taken fully into its confidence and that this committee be appointed immediately so that we may be apprised of the situation, because after all the security of Canada may be involved. The Prime Minister might see fit even to arrange for a secret session of the house. There are many questions running through our minds at the present time, and we are alarmed, and we want to get certain questions answered. I was wondering whether the Prime Minister would speed up the appointment of a committee or make some other arrangement so that we may get the information which some of us would like to hear from the government.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say to my hon. friend that, when I suggested that the house might think it advisable when we came to the second reading of the bill to have its provisions referred to a committee or to a group of committees to permit of certain information being given by the different defence departments which it is obviously not wise to make public, the present situation had not developed as it has since that announcement was made. I rather gathered from what was subsequently said from the other side of the house that there was some doubt in the minds of hon. members whether that procedure would be the best to follow, that hon. members might feel that, if information was given to them secretly before one of these committees, their tongues, if not their hands, would be tied when it came to asking in public certain questions of the government. Many of the things which the government thought, at the time this parliament met, it would be inadvisable to speak of publicly at the time, have already been spoken of quite freely in the house since parliament met. I am sure that in the course of the discussion on this measure respecting war appropriation, hon. members have gained a knowledge of many situations of which formerly they were wholly ignorant, and have obtained explanations which I hope have helped to account for what may have seemed to some of them an absence of the degree of activity which many of them, very rightly, would expect at a time like this.

One matter which has been impressed upon the government more and more is the necessity of using great care in divulging matters in advance of the time when it would be wise to make mention of them. For example, I might give this house information at the moment with respect to our expeditionary force, the Canadian active service force overseas, but if I were to give that information to-day it would be giving it to the enemy. I might answer questions with respect to the disposition of our naval forces, which answers, if given at the moment, would equally be given to the enemy. Obviously it is not desirable that matters of this kind should be disclosed, and for that reason I had thought that some such method as I have suggested, of giving to hon. members information that could not otherwise be made public, might be made in the manner I have indicated. But, as I have said, on the resolution itself, questions have been asked and answered quite freely and much information has been disclosed which the government, I thought, would not have considered disclosing at this time if matters had not developed as they have. We are now free to say some things which at an earlier stage we did not deem it wise to make known.

There is however one other reason which I regard as having at the moment an urgency which it did not have at the time I made the proposal to which I have referred. It is this, that the time of the officials of the defence forces at this moment, and probably for some little time to come, would be very seriously encroached upon if those officials were taken away from the duties in which they are engaged to come and discuss matters before a committee of the house, whether a secret committee or not. The government has therefore thought it advisable, and still considers it the right course to pursue at the moment, to allow the discussion to go on in the way it has. If ministers find that they are asked questions which it is not in the public interest for them to answer they will say so frankly and take the responsibility of refusing to give such information, just as they must take the responsibility for giving any information which they impart.

I along with my colleagues shall endeavour to see that information that is sought, if answers cannot be publicly given, is given

confidentially in so far as may be possible to those who have the responsibility of leading parties or groups in this house. I should like this afternoon to have a talk with my hon. friend who has just spoken (Mr. Coldwell) with regard to the present situation and some matters which I should like him to know, leaving to him the responsibility of imparting their significance to those about him in a manner he thinks would be justifiable. Equally I should like to have a talk with my hon. friend the leader of the Social Credit group (Mr. Blackmore). Yesterday I had a talk with the leader of the opposition (Mr. Hanson) and with one or two of his colleagues who are members of His Majesty's Privy Council for Canada. I had not time later in the afternoon or in the evening to see my hon. friends of the Cooperative Commonwealth Federation and Social Credit groups but I intend to do so to-day. I purpose this afternoon—in fact, that is the reason I am asking that the house should allow some of my colleagues to withdraw with me at present—to have a conference with the leader of the opposition in the senate, together with my colleague the leader of the government in that chamber, and to ask him to bring with him one or two of his colleagues who were members of the war administration of Sir Robert Borden in order that we may discuss with them the situation as it appears at the present time. If we proceed to attain the desired end in that way, in the light of information with respect to conditions as we know them, we shall be taking the course that I believe will be the wisest one to adopt in the interest of the country.

Hon. R. B. HANSON (Leader of the Opposition): If I may be pardoned, I should like to say a word with respect to the subject matter to which the right hon. gentleman has just alluded, namely, consideration of the question of setting up a secret committee or committees to deal with the appropriation bill. We have given a very great deal of consideration to the matter and we still have an open mind on it. I take it from the Prime Minister's remarks now that the government have come to the conclusion that no useful purpose will be served by referring the bill to such committees and that the matter will be dropped. Our view was that the Prime Minister's first proposal seemed to be just a bit inconsistent, and until the position was clarified we did not care to enter into an undertaking of that kind. Members rather took the view that they did not like to be tongue-tied or hamstrung and they would rather not serve if they could not use the information. At the moment I rather concur in the view expressed by the Prime Minister, that perhaps the matter should not be brought up again. I should like to make our position clear. We have not actually refused to act on any such committee, but we wanted to have certain points clarified before we agreed to do so. I do not question the Prime Minister's decision at all at the moment.

CONSCRIPTION

PRESS REPORT AS TO ASSURANCE GIVEN AT LIBERAL CAUCUS—QUESTION OF NATIONAL GOVERNMENT

On the orders of the day:

Mr. J. S. ROY (Gaspe): Before the orders of the day are called I wish to direct a question to the Prime Minister (Mr. Mackenzie King). My question is based upon a news item published in yesterday's *Le Canada*, Montreal Liberal paper, wherein it is reported that the hon. member for Mercier (Mr. Jean) stated at a public banquet that Liberal members of this house, at a secret caucus of the party, have been given the assurance by the leaders of the party that conscription will not be enforced and that no national government will be formed. Is the hon. member's statement based on truth?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Those of us who have been in parliament for some time have been accustomed to regard the proceedings of caucus as matters wholly confidential to the parties concerned. If it once became the custom to disclose what had been said at a caucus, or to deny or confirm what it is alleged to have been there stated, I am afraid that very erroneous impressions might readily get abroad. I will say to my hon. friend that proceedings of caucus are private and I intend to set an example to members of all parties by doing my utmost to keep them so.

SUBVERSIVE ACTIVITIES

INQUIRY RESPECTING LEADERS OF FASCIST MOVEMENT IN MONTREAL AND TORONTO

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): Before the orders of the day are called I wish to direct a question to the Minister of Justice (Mr. Lapointe). In view of the arrest and internment in England a few days ago of Sir Oswald Mosley and his lieutenant Captain Ramsay, a member of the British House of Commons, may I ask if any steps have been taken to apprehend and deal with the leader of the fascist movement in Canada, Mr. Arcand, of Montreal, and his lieutenant, Mr. Joseph Farr, of Toronto?

Right Hon. ERNEST LAPOINTE (Minister of Justice): A number of papers and documents have been seized by the police at the office of that organization and in other places. The representatives of the attorney general of the province of Quebec and the crown prosecutor are at present looking into all these papers and material with a view to taking the necessary proceedings.

ALIENS BROUGHT IN BY BATA SHOE COMPANY AT FRANKFORD, ONTARIO

Mr. G. S. WHITE (Hastings-Peterborough): I wish to ask the Minister of Justice (Mr. Lapointe) a question with reference to the employees of the Bata Shoe Company at Frankford, Ontario, in view of the peculiar situation of this plant. It is only a matter of five miles from an airport, and it is located immediately beside very important hydro-electric plants and quite close to many large railway bridges. The question is this: Will the Minister of Justice consider the immediate reinvestigation and reexamination of all the aliens brought in by the Bata Shoe Company during the last three years?

Right Hon. ERNEST LAPOINTE (Minister of Justice): The question will stand as a notice for the consideration of both the immigration department and myself.

YUKON ACT AMENDMENT

VALIDATION OF YUKON FUR EXPORT TAX ORDINANCE ACT ASSENTED TO MAY 20, 1919

Hon. T. A. CRERAR (Minister of Mines and Resources) moved the second reading of Bill No. 11, to amend the Yukon Act.

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

On section 1—Powers to make ordinances.

Mr. CRERAR: There is little I can add to the observations I made on this measure when it was in the resolution stage. I might however say that so long ago as 1919 the Yukon territorial council imposed an export tax on fur taken out of the Yukon territory to other parts of Canada or to other parts of the world. Generally speaking that tax corresponded to the royalty imposed in the various provincial jurisdictions throughout Canada. It was imposed for purposes of revenue. It placed no disability upon the trapper or exporter of furs from the Yukon that was not imposed by the royalties levied in the various provinces. It is rather curious that recently the question arose as to the power of the Yukon territorial council at that time to impose the tax. This amendment to the Yukon Act simply makes it clear beyond any doubt that they have the power to impose such a tax, and should there be any doubt about their power in the past, what they have done in the interval since 1919 is regularized and made effective.

Mr. HANSON (York-Sunbury): This seems to be an innocent and harmless bill. I am surprised that in the present circumstances the minister should take the time of parliament to bring forward such a bill, but it should not take long to pass it. According to the explanatory note and the explanation given by the minister on a previous occasion as well as to-day it would appear that there is some doubt as to the legal validity of an ordinance passed some years ago by the Yukon territorial council. He has omitted to say what the legal doubt is. I should like to know what the doubt is, what it is based upon.

Mr. CRERAR: The doubt, as I understand it, is as to the legal power of the Yukon territorial council to impose such an export tax.

Mr. BLACK (Yukon): In principle the bill is quite proper and desirable, but I do not think it should be made retroactive to May, 1919, and when we come to section 2 I propose to offer an amendment in that regard. I shall send a copy of it to the minister now. As to section 1, I think it is quite proper.

Section agreed to.

On section 2—Coming into force. Retroactive.

Mr. BLACK (Yukon): I understand that this matter has arisen because of litigation now pending, or possibly a prosecution which has been attempted under the ordinance passed by the territorial council. At the bottom of this amendment I believe is the desire to bring such prosecution or litigation within the powers of the council. That may be correct as to litigation that may arise in the future, but as to the litigation now pending, I hardly think it fair for this parliament to legislate a man out of court. I suggest that this amendment be added to section 2 as subsection 2 (a):

This amendment does not affect litigation or prosecutions now pending under the ordinance passed May 20, 1919, by the Yukon territorial council, entitled "An ordinance to provide for a tax on raw furs exported from the Yukon territory" and in respect of such litigation or prosecutions section 1 of this act shall not be retroactive.

I hope the minister will not have any objection to that. It is merely to protect the people of whom I speak.

Mr. CRERAR: My hon. friend who represents the Yukon was good enough to speak to me the other day about this amendment, and mentioned then that he thought—so I understood him—that some litigation was pending. We have no record in the department of any litigation pending under this act. A communication has been addressed to the commissioner in the Yukon to which a reply has not yet been received, but the officers in charge of administration here are quite certain that if litigation had been instituted in respect of the tax imposed on any particular individual they would have had notice of it.

Mr. BLACK (Yukon): It may be that the information has not yet reached the department. Having very recently come from the Yukon I happen to know that such litigation is pending.

Mr. CRERAR: Can my hon. friend give me any particulars of it?

Mr. BLACK (Yukon): It is, I believe, an attempt to export fur from the Yukon without observing the proper formality. Only recently amendments were passed to the Yukon game ordinance whereby trappers and persons purchasing furs and persons exporting furs must have separate licences. These people I believe undertook, not at all secretly or in an attempt to evade any obligation, to ship some fur, and naturally got into trouble. This legislation should not be retroactive and thus affect them. The words that I suggest as an amendment would accomplish that purpose. Without the amendment I do not think the proposed legislation is fair. As to the general public and as to what will be done in the future in the way of exporting furs, the suggested amendment will have no effect; it is simply a matter of dealing with the particular case that is now pending.

Mr. CRERAR: No one in the past has challenged or disputed the fairness of the tax. No handicap is being imposed upon anyone now in respect of paying what everyone else pays. It would be unfair to those who have paid this tax for twenty years if consideration were given to some person merely on a legal technicality. I do not think this legislation imposes any hardship upon anyone. The litigants in question, if the facts are as stated by my hon. friend, and I do not dispute them since I do not know, could pay the tax and have their furs. There is no discrimination against them; they are simply being asked to do what everyone else has done under the same conditions for twenty years.

Mr. HANSON (York-Sunbury): I do not think the minister has quite caught the point of the objection of the hon. member for Yukon. There is a principle involved. As I understand it, the litigation referred to is not ordinary civil litigation; it is a criminal or quasi-criminal prosecution. In that case the question of the constitutionality of the ordinance has been raised as a defence, if I am correctly informed, and it is a perfectly proper and legitimate defence for any accused to raise on advice of counsel. By section 2 of this bill you seek to take away the legal rights of this accused, and that is wrong in principle. The status quo would be preserved for the future by the amendment of the hon. member for Yukon, which affects only prosecutions now under way; in future prosecutions there would be no doubt about it at all, and nobody would be injured. It is a very bad thing to come into parliament and legislate a man out of court. I could use much stronger language than that. I shall not do so, but I suggest to the minister that if he were a legal man he would grasp at once the significance of what I am saying. For a legislature to pass legislation taking away from an accused person a legitimate defence savours of autocracy. I will not go so far as to say it is Hitlerism; it is not as bad as that, but I do suggest to the minister that he ought to accept the amendment. I understand that it has reference to only one case, and it will preserve that man's legal rights. After all this is a British country and we ought to preserve the principles of British justice. I suggest to the minister that to pass this section without the amendment would be a violation of those principles.

Mr. CRERAR: Would that not open the door to all those who have paid the tax in the past, to seek reimbursement?

Mr. HANSON (York-Sunbury): Oh, no; that is an entirely different matter. It would not give them any rights at all.

Mr. BLACK (Yukon): As to the act being retroactive, the proposed amendment would not prevent that. The act would still date back to 1919 and be effective except with regard to this one prosecution in which the question has been raised. It would not be open to anyone else to take advantage of this amendment. I think it would be only fair to accept the amendment.

Mr. CRERAR: Well, Mr. Chairman, I would suggest that we let this section stand. We have asked for a report from the commissioner of the Yukon, and before accepting the amendment I should like to satisfy myself as to all the facts in connection with it and to secure the opinion of the legal advisers of the department as to its real scope and effect.

If that is agreeable to the committee I will move that the committee rise, report progress and ask leave to sit again.

Mr. HANSON (York-Sunbury): The motion is not debatable, but before it is put would the minister at the same time ascertain from the officers of his department just what is the occasion for this bill if it is not as the result of pending prosecutions under the ordinance? There must be something that brought it to a head. The export tax has been in effect for twenty-one years without ever being challenged, as I understand it; the question has not arisen until now. Perhaps we might have all the reasons for bringing in this legislation at this time. I am just suggesting that the minister might get that information.

Mr. CRERAR: Yes, I can get that, but I rather suspect that these amendments have come under the eye of some student of the law who has raised the question.

Mr. HANSON (York-Sunbury): They do not usually arise in that way; they arise in concrete cases.

Mr. CRERAR: Not always. These acts are very often under review.

Section stands.

Progress reported.

NORTHWEST TERRITORIES ACT

JURISDICTION OF PROVINCIAL COURTS—CARE OF INSANE PERSONS

Hon. T. A. CRERAR (Minister of Mines and Resources) moved the second reading of Bill No. 12, to amend the Northwest Territories Act.

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

On section 1—Jurisdiction of provincial courts in civil matters.

Mr. CRERAR: At the present time the superior courts of the provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia have jurisdiction, west of the eightieth meridian, over civil matters arising in the territories north of their respective boundaries. I am not in a position to inform the house why that jurisdiction was not extended or applied east of the eightieth meridian. At any rate the amendment proposed here seeks to give to the superior courts of Ontario the necessary jurisdiction in that part of the territories lying east of the eightieth meridian. That meridian, I might point out, runs north through Hudson bay, about two-thirds of the distance from the west coast of the bay.

Mr. HANSON (York-Sunbury): Is it approximately an extension of the Manitoba-Ontario boundary?

Mr. CRERAR: No, it is somewhat east of that. In paragraph 2 it is proposed to give the courts surrogate powers to deal with estates in the territories adjacent to their respective provinces. Doubts have arisen in the minds of some of the surrogate court judges as to whether they have the power now to deal with these matters. This is particularly so in the western provinces. By way of illustration may I point out that in the northwest territories north of the province of Alberta considerable mining activities have developed, particularly along the north shore of Great Slave lake. At that point there is now a considerable population. Two small mines are operating, and in the natural course of events people will die and leave property. Their wills will have to be probated or administrators will have to be appointed. This particular section of the bill is being enacted to make clear beyond doubt that these powers exist.

Curiously enough, in the Northwest Territories Act as it stands at present, power is given to the governor in council to arrange with the lieutenant-governor of Manitoba for care of insane persons, or persons who might become insane in the territories adjacent to Manitoba. Section 2 gives power to the governor in council at Ottawa to make similar arrangements with the governments of all the provinces.

Mr. CHURCH: Has there been any application from Ontario to take over this section east of the eightieth meridian as part of that province? I ask that in view of the expenditures made by Ontario at points very close to the boundary. Then, who asked for the bill? Did Ontario ask for it? Has Ontario asked the federal government to confer on these territories civil and surrogate jurisdiction?

Almost every session during periods set aside for the discussion of private and public bills, members are asked to approve of principles and, secondly, to approve the legality of legislation. Has a law officer of the crown attached to the minister's department recommended this bill? Does the Department of Justice recommend it, and if so does it state that it comes within the British North America Act? I ask that question because the bill deals exclusively with property and civil rights of the provinces.

The committee should not pass the next section of the bill. We know that sane people have been found in mental institutions, as has happened in Ontario; and the law courts have had no jurisdiction to take them out. To give the governor in council power to detain people in an institution when, in fact, those people may not be insane, is a most dangerous principle.

I should like to hear an explanation of the first point I have raised. Was the bill referred to the Minister of Justice, and has he decided whether it is within the provisions of the British North America Act? Has he decided whether parliament is at liberty to amend the Northwest Territories Act, and thereby confer additional jurisdiction outside that act? I ask that because the Northwest Territories Act has some jurisdiction in respect of property and civil rights, although the territories do not constitute a province. It may have been held in the courts that there is a lack of jurisdiction over surrogate matters, or matters connected with wills and property. In my view however the bill should have been reported on by the Department of Justice, and we should have a statement from the various provinces affected indicating whether they are asking for it or were consulted. Were the attorneys-general of the provinces affected by the measure shown a copy of it, and did they approve of it?

We have had other bills seeking to amend the Northwest Territories Act, and we know what was done with property, civil rights and education on those former occasions. On one or two occasions the privy council had to interfere, and in view of that fact we should be most careful, especially in war time, not to sanction a bill of this kind without first knowing what we are doing.

Mr. CRERAR: I am not a lawyer. Sometimes I thank heaven I am not.

Mr. HANSON (York-Sunbury): Oh, don't say that!

Mr. MacNICOL: You will have a greater chance of getting into heaven.

Mr. CRERAR: Consequently my opinion on the point raised by the hon. member for Broadview, whose legal knowledge I do not question, may not be very valuable. After all, however, this is simply a common-sense arrangement. To-day we have northwest territories which are not part of any of our provinces, and are under federal administration.

There is no new principle in the bill, because already, for years past, judges in the superior courts of Ontario and the western provinces have had jurisdiction over civil matters in that part of the northwest territories west of the eightieth meridian. This bill seeks simply to give such power in the territories east of the eightieth meridian. It seems to me there cannot be any question of contravention of the terms of the British North America Act in what is suggested in the bill with respect to the winding up of estates, the probating of wills and matters of the kind. I believe there can be no doubt that we can confer those powers on judges.

The amendments are proposed only to help administration. They have been approved and passed by the law officers of the crown, and I believe there can be no question of their validity. If some action of this kind is not taken the federal administration will probably be under the necessity of setting up its own courts in the northwest territories. Certainly at the present time that is neither necessary nor desirable.

Mr. HANSON (York-Sunbury): This measure would seem to involve an extension of the principle already indicated in the Northwest Territories Act. There must be some provision made for civil procedure in those territories, and the bill seeks to divide the jurisdiction at certain geographical points for purposes of convenience. Paragraph 2 is new, and seems to have arisen from the growth of the population in the area affected.

Mr. CRERAR: It has applied to Manitoba in the past.

Mr. HANSON (York-Sunbury): That fact is not indicated in the explanatory note. I can see no objection to the passing of the bill; in fact it seems to me it ought to have the endorsation of all hon. members. I would suppose the minister would be good enough to call the attention of the law officers in the Department of Justice to the academic question raised by the hon. member for Broadview. That could be done before third reading. It is a question involving constitutionality, and the law officers might give some consideration to that phase of the matter. I say that because there is some point in what the hon. member has said, but I am not so sure that it is a practical one.

Mr. GREEN: Is there any intention of turning over any portion or portions of the northwest territories to a province?

Mr. CRERAR: No, that has not been seriously considered. I believe that individuals in the provinces have written letters to the newspapers suggesting that the provincial boundary should be extended to the north pole, but, so far we have not seen any keen disposition on the part of the provinces to assume

the extra financial burden which would be involved in the administration of the additional territory.

Mr. GREEN: The premier of British Columbia on different occasions has mentioned that he would like to take in the Mackenzie River basin. Have any negotiations along that line taken place? What is the present situation?

Mr. CRERAR: I can say at once that no such negotiations have taken place.

Section agreed to.

On section 2—Confinement of insane persons in provincial institutions.

Mr. CHURCH: May I ask the minister if these insane persons are to be taken completely out of the control of the law courts and their care turned over to the minister? In other words, are those who are placed in these institutions subject to any regulation or control by the law courts of the land, and do they preserve their property and civil rights in the province, or is the liberty of the subject repealed entirely by the new section 75 which appears in clause 2 of this bill? It states:

> The minister may, subject to the approval of the governor in council, arrange with the lieutenant governor of any province for the removal to and confinement in any asylum . . . of any insane person. . . .

As I pointed out a moment ago, in Ontario the grand jury found that one person who had been confined in a mental institution was sane. As I read this section the minister is removing the law courts from control over these people and taking power to confine them, subject to the approval of the governor in council.

Mr. CRERAR: I think the hon. member is wholly mistaken. This legislation takes away no civil rights from anybody. All it does in effect is this: If to-morrow an individual in the Yellow Knife area north of Great Slave lake requires care in an institution we want power to arrange with Alberta to put him in an institution in which he can get proper treatment. None of his civil rights is taken away or interfered with. We have this right to-day in the territory adjacent to Manitoba and we simply seek to secure the same right in the territory adjacent to the other provinces.

Mr. BLACK (Yukon): May I ask who is meant by "commissioner" in the new section 75, which provides that an insane person may be kept in custody until the pleasure of the commissioner is known? Is it the commissioner of the northwest territories?

Mr. CRERAR: Yes.

[Mr. Crerar.]

Mr. BLACK (Yukon): Who is the commissioner of the northwest territories?

Mr. CRERAR: Doctor Camsell, at the present time.

Mr. BLACKMORE: As the act now stands the minister is empowered to "make such arrangements with the lieutenant governor of Manitoba as seem reasonable as to the compensation to be made by Canada to that province." I am wondering why that expression is not included in the new section 75 which is being substituted for the old section. It looks as though the minister is to be allowed a certain amount of dictatorial power.

Mr. CRERAR: No. It provides for making arrangements. We have to arrange for the placing of these individuals in appropriate institutions. We could not, for instance, take some person from Great Bear lake down to Edmonton and hold a pistol at Mr. Aberhart's head and say: You have to put this fellow in the asylum. No, we have to arrange the matter with him, and I hope that if the occasion should ever arise we shall be able to make a favourable arrangement with the premier.

Mr. BLACKMORE: I was just wondering why the same expression was not used in the new section.

Section agreed to.

Bill reported.

Mr. CRERAR moved the third reading of the bill.

Mr. HANSON (York-Sunbury): I should be quite agreeable to taking the third reading now but the hon. member for Broadview (Mr. Church) has raised a legal question and therefore it would not do any harm for the third reading to wait until the next sitting.

Motion stands.

DAIRY INDUSTRY ACT

VARIATION OF PROVISION RESPECTING WEIGHTS OF PACKAGE CHEESE

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 13, to amend the Dairy Industry Act.

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

On section 1—Cheese.

Mr. SENN: Would the minister give us a general idea of what the bill purports to do and whence came the demand for this change? I was not aware that there was any great

amount of processed cheese made in Canada, or even imported, unless put up in packages as outlined in the first part of this clause.

Mr. GARDINER: The explanation which I made on the first reading was probably open to some misinterpretation. In accordance with the provisions of section 8, subsection 2, of the Dairy Industry Act, it is illegal to cut from processed cheese packed in bulk portions of indiscriminate weight for sale to customers. That is, if anyone has a package of more than a pound, a half-pound, a quarter-pound, and so on, it is illegal to cut it on the counter and sell it to the customer.

Mr. HANSON (York-Sunbury): Just why is that?

Mr. GARDINER: The existing legislation has not been enforced for the reason that a very important part of the trade in processed cheese consists of selling portions cut from packages having an initial weight of five pounds. The old way of selling cheese in stores was to cut a slice, weigh it, and hand it to the customer. Nowadays processed cheese is usually put up in small boxes or packages, but there has grown up a practice of putting it up in five-pound loaves or bricks, and when persons come in who do not want five pounds, the merchant cuts from the five pound loaf. Under the law as it is to-day that practice is not legal, but it is thought to be a legitimate trade in that type of cheese which could be very properly controlled, and this bill simply provides that in future it will be legal to cut from loaves provided they are of not less than five pounds weight.

Mr. SENN: Why is the weight limited to five pounds? Why not three pounds? Is there no demand for the smaller size of package, or what is the reason?

Mr. GARDINER: I understand the customary loaf or brick is a five-pound loaf or brick. It is not thought wise to reduce it to a lower amount if the present weight meets the conditions of the trade as now carried on.

Section agreed to.

Bill reported, read the third time and passed.

CANADA GRAIN ACT

CORRECTION OF INACCURACIES IN CHAPTER 36 OF STATUTES OF 1939

Hon. JAMES A. MacKINNON (Minister of Trade and Commerce) moved the second reading of Bill No. 7, to amend the Canada Grain Act.

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

On section 1—Binning of tough with straight grades as a means of drying.

Mr. PERLEY: The minister will recall that last year there was quite a long discussion and consideration in committee having to do with the general revision of the Canada Grain Act and the question of the drying and mixing of grain. Drying through such a process as is outlined here was considered at some length. Would the minister inform us whence came the demand for this provision, that is, allowing tough grain to be mixed with straight or dry grain for drying purposes?

The CHAIRMAN: I think that the question arises under section 2 rather than section 1.

Mr. MacKINNON (Edmonton West): The purpose of the bill is simply to correct three inaccuracies in the wording of the amending act.

Mr. HANSON (York-Sunbury): In the numbering.

Mr. MacKINNON (Edmonton West): The section with which we are now dealing relates merely to the correction of the numbering of paragraphs. I can go fully into the matter if the hon. member wishes.

Mr. PERLEY: The minister might give us some information as to the effect of the amendment he made last year in this respect, as they related to the marketing of the crop last year. Probably the Minister of Agriculture will recall that provision was made for a certain amount of mixing so long as it did not interfere with the ultimate grading of the grain as it was weighed out or shipped out of the terminal elevator for export. What was the effect of the amendment last year?

The CHAIRMAN: This section is only for the purpose of correcting the numbering. At present there are three subsections, and the purport of the present section is to make subsections 3, 4 and 5 read 4, 5 and 6. Therefore the question is out of order under section 1. Shall section 1 carry?

Section agreed to.

Sections 2 to 4 inclusive agreed to.

Bill reported, read the third time and passed.

SEEDS ACT

MEASURE TO EMPOWER THE MINISTER TO PRESCRIBE FEES FOR SEED CONTROL SERVICES

Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Seeds Act, 1937, to empower the minister to prescribe fees for seed control services.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

Mr. DOUGLAS (Weyburn): Will the minister explain the resolution?

Mr. GARDINER: We test in our laboratories approximately 100,000 samples of seeds each year. The tests are made in large part for the purpose of selling seeds under grade certificates as required by the Seeds Act. Those having seeds require them to be tested for selling purposes and they are given a certificate showing that the seed is of a certain type. The practice has grown up of having seed tested for all kinds of purposes, and these tests could very easily be made at home. There is no difficulty about making them. Instructions can always be obtained free of charge as to how to make tests and how to consider them. It is proposed to charge a small fee for tests in order to stop a practice which has grown up which takes up a great deal of time and causes a great deal of expense in this branch of the department in carrying out tests which are not absolutely necessary. In addition to that it is intended to charge enough to cover at least a part of the cost of giving the service to those who have considerable quantities of grain to sell. The fee will be a very small one.

Mr. HANSON (York-Sunbury): Is there any authority at the present time to charge such a fee?

Mr. GARDINER: No.

Mr. HANSON (York-Sunbury): The object is to legalize the charge?

Mr. GARDINER: Yes.

Mr. SENN: I notice in the report of the Minister of Agriculture for the year ended March 31, 1939, a statement at page 106 that under the Seeds Act and regulations revenues amounting to $37,744 were collected for the fiscal year. What were these services for? Were they for regular inspection, when perhaps a conviction was going to be registered?

Mr. GARDINER: I am not prepared to say at the moment, but when the estimates are under consideration I will discuss the item. There is no power under the act to charge the fees proposed here.

Resolution reported, read the second time and concurred in. Mr. Gardiner thereupon moved for leave to introduce Bill No. 19, to amend the Seeds Act, 1937.

Motion agreed to and bill read the first time.

WHEAT COOPERATIVE MARKETING

CALCULATION OF INITIAL PAYMENTS TO SELLING AGENCIES—AUTHORITY FOR PAYMENT OF LIABILITIES AND ADMINISTRATIVE EXPENSES

Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend The Wheat Cooperative Marketing Act, 1939, to provide for the calculation of initial payments paid to selling agencies, and also to grant authority for payment of liabilities of the minister under any agreement and of administrative expenses.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

Mr. QUELCH: Will the minister explain?

Mr. GARDINER: The first important change is simply an enlargement of the definition of primary producer. At present primary producer means any person who is engaged in the production of wheat and it is intended to widen that definition to provide that "producer" shall be deemed to include any person entitled, as landlord, vendor, mortgagor or otherwise, or by contract or operation of law, to wheat grown by the producer, or any share therein. It makes provision whereby under a crop agreement a person entitled to a third of the crop may deliver under the act as well as a person entitled to two-thirds. The next section provides for the correction of an inaccuracy in connection with the wording in the definition of selling agency. Another section merely provides for wording to clarify the meaning of the section in the original act, and the remaining provisions are to make it possible for the minister to make any payment which may be necessary as a result of the operation of the act. The act now provides that if under the agreement entered into between the department and the selling agency the wheat is not sold for the full value of the advance, then the minister may pay the difference between the amount for which the wheat was sold and the amount of the advance. But there was no provision in the act giving authority to the minister to make the payment

and this section provides that authority. It also enables the minister to make payments on administrative costs.

Mr. PERLEY: The minister might at this stage give us more information with respect to this proposal. Speaking generally on the measure, not exactly to the amendment, I might say that last year I opposed a similar bill, from the standpoint that I did not think it necessary, that it did not serve any useful purpose and was intended—I think the term I then used was to succour the grain trade or salvage some of those who needed help and under present conditions I think the same observations would apply. The minister might tell us how the act worked last year, how many cooperatives were set up, the number of elevators and firms that went in, and what happened to many of the small independent dealers or operators in the trade. We might also have figures with respect to the amount of wheat marketed through the cooperatives. It is important that we should have a statement as to the losses sustained in their operations and what amount the government will have to pay to make up that loss, the difference between the guaranteed price of sixty cents—was it?

Mr. GARDINER: Fifty-six cents.

Mr. PERLEY: —and the price at which they sold the wheat. I should think there would not be a very great loss because it was during only a very short time in the marketing season that wheat was below fifty-six cents. That also might be stated—for how long a period was the open market price below the guaranteed price? We should also have a statement as to the effect of the competitive selling by these cooperatives of wheat against the other organizations handling board wheat, for instance. Did any direct benefit accrue to the producers generally from this legislation?

The Turgeon report distinctly recommended that the wheat board should be kept intact ready to operate, certainly in case of an emergency or crisis; and, I believe on the same page of the report, it stated that open market or exchange could not function in the case of an emergency. Surely we have an emergency now. From the information given yesterday by the Minister of Trade and Commerce it would appear that the wheat board will be called upon this year more than ever before to operate, especially if the grain exchange is closed.

As I see it, this proposed legislation more or less continues the competition. It is not necessary; no doubt the board will handle practically all the grain. Further we have the three western pools, one in each province, thoroughly organized to carry on the work that these cooperative organizations or groups will do. I think we should have from the minister a general statement as to the operations of these cooperatives in the last marketing season, what the loss will be, the number of bushels handled and the amount of wheat sold below the guaranteed price of fifty-six cents.

Mr. GARDINER: I think I may say that most of the grain trade—I would be inclined to say all of it, though it is just possible that there may be a few exceptions of very small companies—has been organized under this legislation. There are nine different central selling agencies set up. There is the Grain Growers Export Company Limited, Winnipeg, which is the selling agency of the United Grain Growers; the selling agency of the Saskatchewan Cooperative Wheat Producers Limited, known as Saskatchewan Pool Elevators Limited, and there is the Alberta Pool Elevators Limited of Calgary, set up under the Alberta wheat pool. Then there are some seventeen elevator companies that have one common selling agency, the Grain Sales Agency of Winnipeg. The Searle Grain Company have their own selling agency. There is Midland Pacific Terminal Limited of Vancouver, British Columbia, which represents the Midland Pacific Grain Company, the Peace River Milling Company and the Northern Grain Company, and there is the Saskatchewan Pool Elevators Limited of Regina for the cooperative elevator associations of the Manitoba pool. They are handling the Manitoba pool wheat. Then there is the Prairie Grain Sales Limited, of Edmonton, representing the Gillespie Grain Company, the Ellison Milling Company and James Richardson and Son; and the Victoria Trading Agency Limited of Winnipeg, representing the Robin Hood Flour Mills, N. M. Paterson, Scottish Cooperative Wholesale Society, Western Canada Flour Mills Company Limited; McCabe Brothers Grain Company, Lake of the Woods Milling Company Limited, Ogilvie Flour Mills and Robin Hood Flour Mills Limited. All these have organizations set up under the act.

The information with regard to marketings by the different companies is given to us confidentially, and I think it would not be proper for me to give that information to the committee. I can only say that something over three million bushels was marketed during last season and up to the present under these different organizations.

Regarding the possible losses on the operations to date—

Mr. SENN: Before the minister proceeds, was any part of the three million bushels he just spoke of Ontario winter wheat?

Mr. GARDINER: Not to my knowledge, although I would not like to say definitely that none of it was.

I was about to say that all these organizations made an initial payment of fifty-six cents a bushel on wheat which they took in under the act. The act provides that they may not pay more than sixty cents a bushel advance. In setting up their organizations to take delivery of grain from farmers during this year they found it necessary to provide for an average of about four cents a bushel for cost of carrying grain for the period that it has to be carried, so that they said the only price at which they would be safe would be about fifty-six cents. We agreed with that position, and the fifty-six cents per bushel advance was made. Some time ago, I have not the date at the moment, most of these organizations, I think all of them that had wheat, applied for permission to make an additional interim payment of fourteen cents. This additional payment has been made by some of them, if not all. So that the advance which has been paid on that wheat up to date is seventy cents a bushel, or the same advance that has been made to the wheat growers on all the wheat taken in by the Canadian wheat board. The statements that were presented to the government at that time showed that on the wheat which had been pooled until the recent pegging of the price the government was not likely to take any loss. As a matter of fact the wheat had been disposed of at a price which enabled these pools to pay their advance without much possibility of the government having to take a loss. At the present time, so far as I know—it cannot be stated definitely and finally, of course, until the end of the crop year on July 31 next—it is not thought that there will be any loss on the wheat which has been marketed under this legislation.

Mr. PERLEY: What was the exact number of pools or cooperatives set up?

Mr. GARDINER: Nine, I think.

Mr. PERLEY: The statement we have just heard from the minister is a positive admission that there is no need for this measure at all. Nine pooling agencies, including most of the elevator firms and many members of the grain exchange, handled only 3,000,000 bushels out of a crop of 375,000,000 bushels. I think we will require something more substantial from the minister to justify the government coming to the rescue, so to speak, by guaranteeing these companies in this way in competition with the board and the regular pools of the west. These pools under this legislation paid an advance of 56 cents and then made an interim payment of 14 cents, equal to the total payment under the wheat board act of 70 cents. It resolves itself into this: they have made practically the same payment as was made under the wheat board, except that they did not make the entire payment at once. This interim payment was held up; these pools had the use of that money for a certain length of time, and I think they should be required to account for it.

It seems to me the minister's statement is a definite admission that no useful purpose is being served by this measure, and I think he should move that it be repealed. Allow these people to wind up their affairs with respect to the handling of the 1939 crop; then repeal this measure and continue under the system we had previously.

Mr. DOUGLAS (Weyburn): If I remember correctly, on April 5 of last year, when the Minister of Agriculture was introducing his bills regarding the marketing of wheat, he stated that he was carrying on something in the nature of an experiment; that is, that there were three ways in which wheat could be marketed under the legislation he was setting up. First there was the open market; second, there were the facilities set up under this bill, by which a farmer might sell to a pool or association; and, third, there was the wheat board, to which the farmer might sell his wheat and secure a minimum advance price.

I agree with the hon. member who has just taken his seat that even on the basis of the experiment it would seem pretty plain now that the contention we made at that time has been justified by what has occurred; in other words, that the best way to handle the marketing of wheat is through a wheat board giving the farmer a guaranteed minimum advance price commensurate with the cost of production. But something has happened since that time. Since then war has broken out, and the best proof that war is no time for experiment with different marketing policies is the fact that just a few days ago the government itself had to intervene and peg the price in order to prevent a very serious collapse in the marketing of wheat.

In view of the fact that it would involve another of his colleagues as well as the policy of the government I do not suppose the minister can make any statement now, but I wonder if he would take under advisement and press upon the government the need for a wheat policy based on the fact that this

country is at war and that speculating in food products in time of war can lead to nothing but instability. I believe the government should very seriously consider the closing of the Winnipeg grain exchange, at least for the duration of the war, and the marketing of our wheat through the Canadian wheat board, dispensing with the facilities under this act and with the open market while Canada is at war. It seems to me that is the only way we can hope to have anything resembling a stable agricultural life in this dominion. If at the present moment we are straining every nerve to mobilize our industrial reserve it would seem very unwise to allow the marketing of wheat to be carried on under what the minister himself said was really an experiment. Within a very few days or weeks the government ought to bring down in this house a definite policy for the marketing not only of wheat but of all agricultural products.

Mr. QUELCH: I find myself wholly in accord with the hon. member for Weyburn (Mr. Douglas). When this bill was up for consideration last year I stated that in my opinion the correct way to market our crop was through the wheat board; and I think the majority of the farmers of western Canada are in agreement with that idea. If that is sound in time of peace it is even more sound in time of war. Not only should we have a wheat board; in my opinion it should be a one hundred per cent compulsory wheat board, which would market all our wheat. I think we have a very undesirable state of affairs at the present time, in that we have a number of organizations selling wheat apparently to only one man in England. Certainly that must be to his advantage and to our disadvantage. I know if I were buying horses I would much prefer to buy them from a number of people rather than from one man who might hold me up for any price. Naturally the man in England is at an advantage when he is able to buy wheat from a number of organizations instead of from a central selling agency such as the wheat board.

So far as any changes in the measure go, apparently they will make no difference in the price of wheat. I think if any change is to be made at all it should be made in the method of calculating the initial price; and the only fair method would be to take into consideration the actual physical cost of producing that wheat so that the farmers might receive a price commensurate with the prices of other commodities. Especially is that so when we have a government which says, as this government said last September, that it will insist upon equality of sacrifice during the war. There can be no equality when the farmers have to sell wheat for less than the cost of production while on the other hand they are paying gradually rising prices for the things they have to buy. That is indicated very clearly in the last issue of the Searle index, from which I should like to read a few words:

> The Searle index of the price of "Things Farmers Buy" (147 items) now stands at 135, 1913-14 equals 100, which means that these things cost farmers in the west, at the present time, 35 per cent more than they did in 1914 before that Great War. The price of wheat—No. 1 Northern—as of April 23rd, basis the open market price, is now 24 per cent lower than it was in 1913-14. This means therefore that a bushel of wheat in western Canada now has a purchasing power in relation to "The Things Farmers Buy" of 56 per cent in comparison with the purchasing power of 100 that it had before the war.

Certainly it does not look as though things were getting any better; as a matter of fact they may get a great deal worse. Therefore I think the farmers have every right to request that the government take immediate steps to institute a one hundred per cent wheat board and guarantee a price that has some relation to the prices of other commodities at this time.

Mr. CHURCH: In view of the war, in my opinion the resolution should be referred to the committee on agriculture. It is of tremendous importance to the people of Canada that this great basic industry, the grain-growing industry, one which the minister understands, be placed on a sound basis. It was urged for many years that free trade should be practised, and that the grain trade was a north and south industry, and not an east and west one to the markets of the world. To-day, however, we have to face the fact that we are at war, and that to a great extent markets have vanished owing to war problems, transportation difficulties and the submarine menace.

To-day we are faced with a grave situation, and we must consider the ability of the country to pay all these bonuses, subventions or subsidies such as the minister and the Liberal party have contended for years were, under free trade, unnecessary. In many respects the principle behind the Wheat Co-operative Marketing Act is satisfactory in times of peace and plenty, but it must be remembered that to-day we are faced with a world war which has brought with it losses of markets all along the line for everything in trade and commerce and industry. In addition to that we are confronted with transportation difficulties, and the dangers consequent upon enemy submarines. We do not know what the cost of the operation of legislation founded upon the resolution will be,

and in my view the Minister of Finance should report to the committee on agriculture respecting that phase of the matter.

We find in the resolution provision for the calculation of initial payments paid to selling agencies, and provision for granting authority for payment of liabilities of the minister under any agreement and of administrative expenses. No one can calculate what those provisions and calculations may or will cost Canada. Last year we spent almost six weeks in discussing agriculture; it was virtually a Saskatchewan session. At that time, early in 1939, the minister said, as is indicated in the copy of *Hansard* which I have before me, that the government was going to get out of the grain and market industry; that it was going to stop subventions and bonuses, and that it would go back to the old principle. That was not done. Later the government recommended the passage of the Wheat Cooperative Marketing Act, 1939, and other measures providing additional bonuses, stabilization funds, subventions and subsidies to the grain-growing industry.

What is the minister doing about the orderly marketing, if possible in time of war, of north American wheat? Has he had any conferences with Henry A. Wallace, Secretary of Agriculture of the United States, regarding the orderly marketing of wheat by Canada and the United States under war conditions? Then, is the government going to consider the preference afforded under the Canada-United States treaty, which as I understand will terminate some time in June? Is it the intention of the government to continue the operation of that treaty?

Under the Ottawa agreements Canadian grains enjoyed a six-cent preference when carried on Canadian or British ships to Great Britain, a preference since also given to the United States. In view of the war is it the intention of the government to continue the treaty with the United States for another three-year period? I believe we should have some report as to what a measure founded on this resolution would cost, because in the present circumstances we are asked to consider calculations that in the end may be just a gamble. Wheat may sell at forty cents, fifty cents or sixty cents; no one can tell what the price may be during the war months of this year yet to come. In this year the war, alone, will cost the country, before we are through, almost a billion dollars, and I say we should not pay the losses just in the marketing of the products of one basic industry at the expense of loss of markets in all others.

I do not want hon. members to think that I object to this industry, getting substantial aid as in the past, or to according it a good measure of protection. I have been a consistent protectionist friend of the grain industry since I came here, although I have not acted the way some hon. members in the prairie provinces have acted. I have been a consistent protectionist for the grain-growing industry of Canada, and ever since I entered the House of Commons I have supported advanced protection for that industry. We were told years ago by free-traders in the prairie provinces that the United States was our logical market. They were opposed to any form of protection, and were in favour of complete free trade. However, after that they came along and supported bonuses, subventions, subsidies and stabilization funds of all kinds, and since then we have had all kinds of bonuses, subventions and subsidies for this one industry.

The grain-growing industry is not the only one in Canada which has lost its markets. What industry has not, as a result of this awful war? If we are beaten in the war, everything is gone; industry generally will be ruined and will lose markets. The industrial workers in our cities and towns in the east will lose their work, and many have. Were it not for the British fleet we would be blackened out. We must yet face the war submarine menace and loss of markets, a very serious thing so far as trade is concerned.

In my view Nos. 26 and 27 on the order paper referring to the Wheat Cooperative Marketing Act, 1939, and the Agricultural Products Cooperative Marketing Act, 1939, respectively, should be referred to the agriculture committee. We have many calculations, all of which may be out in fact and only a guess. The committee should have the power to go into the whole question, and it should have the advantage of hearing the Minister of Agriculture and the Minister of Finance, who is responsible for the tax-rate in the country. How he is going to raise all the money required, I do not know. Industrial workers can pay no more of these bonuses, subventions and subsidies; they are not content to pay bonuses to some and not to others. There should be equality of treatment. I am for protection for all the people, all the time. and not just for some of them. I do not know on what foundation the calculations respecting this resolution are based, and I believe the committee on agriculture should have the advantage of all details, and make their report accordingly.

Mr. FAIR: I only wish the hon. member who has just taken his seat would go out west and work on a prairie farm for as long as he has attended in the House of Commons. If he did that, he would be in a position to come back and educate those of his friends who are taking the same stand as he has just taken, namely, that industry is bearing all the taxes and all the load.

In contrast to what the hon. member has said, may I point out that the taxes paid by industry are unloaded on to the shoulders of the producers and the consumers, particularly those in western Canada. On different occasions I have given figures showing where the markets of eastern Canada are to be found. On different occasions we have heard hon. members, particularly those of his majesty's loyal opposition, supporting higher tariffs, and from those hon. members we have heard strong objection to any help being given to the wheat producers in the west. Perhaps they will remember that for the only year concerning which we have information respecting tariffs, every man, woman and child in Alberta paid $26.93 to satisfy tariff impositions.

If we were to get back that amount, by way of payments on our wheat crop, we would not need to come to Ottawa to fight our battle each year, as we have been doing in the past. Perhaps hon. members will realize that in the past ten years farmers have not been receiving much more than fifty per cent of the average cost of growing their wheat, and yet we are expected to continue to be patriotic—not in a profitable way—and to supply Canada and other countries as well. Countries across the ocean are being subsidized in the production of their wheat, and yet we have to come here and listen to speeches such as the one just delivered by the hon. member for Broadview (Mr. Church).

Yesterday the Minister of Agriculture (Mr. Gardiner) told us that supplies of farm products on May 1 were greater than on the same date in 1938 or 1939. But this is no indication that these products were produced at a profit. Last year he told us that if a man gets over twenty bushels of wheat to the acre, he can produce it at from thirty cents to forty cents a bushel. With that statement I do not agree, either. Hon. members in this corner of the house have produced figures proving definitely that over a period of years wheat cannot be raised for less than ninety-five cents a bushel at the farm. I believe that fact is borne out if we look up the operation of the Farmers' Creditors Arrangement Act, a measure made necessary through debts piled up because of poor prices received by the producers.

I believe the amendment now being sought is about as necessary as a second tail for a horse or a cow; there is absolutely no need for it. We have on the statute books other legislation which, if properly used, would remove the necessity for the measure suggested. I refer to the Canadian Wheat Board Act and the Prairie Farm Assistance Act. If those measures are used as they should be, and as it was intended they should be, the amendment now before us could be scrapped.

I would suggest consideration by the government of the permanent closing of the Winnipeg grain exchange. After war started, the grain exchange in England was closed. Passing through Winnipeg a few weeks ago, I had a look round the exchange for the first time. One of the officials pointed out to me and to others with me the benefits being derived by farmers from the operation of the exchange. He told us we could not get along without it, and so forth. I asked him if the grain exchange was operating in England. He said, "I do not think it is just now." I told him that it was closed because the government of the old country found it necessary to close it, and I believe the grain exchange in Canada should be closed and left closed. I believe the wheat board should be used and a decent price based on cost of production guaranteed to the farmers.

Mr. DOUGLAS (Weyburn): What is the estimate of the selling price of these selling agencies which are disposing of the wheat or have disposed of it?

Mr. GARDINER: All I can say at the moment is that the sale price has been more than sufficient up to date to pay the 70 cents; that is, after paying the carrying charges, the 4 cents we are allowed for that. I do not think it would be proper for me to go further even if I had the information here because it would be dealing with business information of these companies which still hold some of this wheat.

In reply to some of the points that have been raised, I would say that this legislation makes provision for carrying on for this year. It is most necessary that this legislation should be on the statute books to make provision for carrying out this year what we provided for last year. If this amending legislation were not passed and there happened to be a loss—at the moment we do not think there will be—we would not be in a position to make payment to the different concerns which have

taken delivery of this wheat from the farmers. That covers the first point raised, that the legislation should be dropped altogether.

So far as this amending legislation is concerned, it is necessary that we should have it on the statute books so that it will operate in connection with over 3,000,000 bushels of wheat this year, in order that we may be able to make effective use of its provisions in finally disposing of that quantity of wheat.

On the question whether it would be wise under war conditions to have the legislation on the statute books at all, I would point out that if what has been suggested were to take place, namely, if it became advisable for the government of Canada to take control of all the wheat of Canada and deal directly with the British government, then not only this legislation but all the other acts having to do with the handling of our wheat as they now stand on the statute books would simply have to stand by until the end of the war. There would be no possibility of continuing to handle wheat under the provisions of legislation, for instance, for the proper operation of the grain exchange, or under the provisions of the wheat board act as we now know it, or under this or any other legislation relating to grain which was passed before the war started, so I do not think anyone needs to worry about what would happen in the event of our having to take the action which has been proposed from the other side of the house. On the question whether we should take such action I am not in a position to say anything at the moment. As was suggested by one hon. member who spoke, it is a matter for the consideration of the government, and any final announcement of policy would be for the leader of the government or the Minister of Trade and Commerce, under whom the wheat board is operating.

I would suggest, therefore, that in passing this amending legislation we are providing to make the present legislation operative to take care of the wheat which has been delivered under the act.

One further point. It has been suggested that the act has served no good purpose. Well, the greater part of the wheat which has been handled under this act has been handled by the Saskatchewan pool. They were the first to ask to have the act brought into operation. Most of the wheat which has been delivered under the act to anyone has been delivered to the Saskatchewan pool, and I think the experience gained already in the handling of even 3,000,000 bushels is sufficient to have warranted the act's being brought into effect this year, if for no other reason than that it has made it possible for at least a small group delivering grain under it to determine what they think of a measure of this kind as a future method of marketing grain. We are not always going to be at war. We are going to get back to normal conditions some time, and I do not think the experience that we shall have had under this legislation will prove otherwise than beneficial to the western farmers.

I therefore suggest that the resolution be allowed to pass so that the bill may be presented to the house for consideration and the necessary amendments made in order to carry out the terms of the act.

Mr. PERLEY: The minister has just stated that the Saskatchewan pool handled the great bulk of this wheat. He will recall that when the western committee was down here last year, the Saskatchewan pool was represented on it, and its representatives opposed the passing of the bill of last year. They presented an argument, in their second submission I think, opposing the act.

There was a reason for the pool coming in on it. Not only had they their pool operations, but they are now doing a business similar to that of other grain firms, and naturally they would come in to accommodate certain of their customers who were not putting their grain through their pool; that is, they conducted open market operations just like other companies are doing. I think that is the reason why the Saskatchewan pool came in.

Again, if they handled the great bulk of the 3,000,000 bushels, that is another reason why the bill is not necessary. The minister has not yet stated what was the effect, from a competitive point of view, of the selling of the grain by these cooperative organizations. I grant that it could not have been a very large amount and that the pools handle most of the wheat. The minister has not yet stated what the exact loss is. He said that it was more or less confidential.

Mr. GARDINER: There is no loss yet.

Mr. PERLEY: That is fine. Then there is hardly any necessity for this amendment. In reply to the minister's argument, I would say that section 4 of the bill of last year gives the minister almost unlimited power to prescribe regulations to deal with various matters and to make almost any kind of agreement with the cooperatives. If there is no loss, I think the minister already has sufficient power under section 4 of last year's legislation to wind up the business of the cooperatives.

Mr. GARDINER: I am very sorry that neither myself as minister nor the member for Qu'Appelle (Mr. Perley) can determine the question as to just what legal powers I have.

The Department of Justice informs me that under the legislation as it is now drafted, if we did have a loss, I have not the authority to pay what the act provides shall be paid, and the department says that this amendment is necessary to give me the power to pay what the act provides shall be paid. If there is no loss, there will be nothing to pay. Up to date there has been no loss. But if there is a loss, then this legislation simply gives me the power to pay what other provisions of the legislation say ought to be paid and require to be paid.

Mr. PERLEY: I would ask the minister to use some of the powers delegated to him in one or two of these bills. At least he might try to do so. In certain bills passed last year, wide powers were given, and I suggest that the minister try out some of those given him in this particular bill.

Mr. GARDINER: All I can say in reply to that is that I found out on quite a number of occasions that the powers given me in a bill were not nearly so wide as some hon. members had said they were.

Mr. COLDWELL: I should like to emphasize the point made by the hon. member for Qu'Appelle. In my travels through Saskatchewan I have found that people connected with the pools, although they may be using this particular act, are not in favour of it because they believe that it is a misnomer to call it a cooperative marketing act. I realize that this measure must go through, but I think the government might be wise to consider the suggestions that have been made from this part of the house that during the war period, at least, all grain marketing be placed under a single board and a price guaranteed to the producer which will give him an adequate return for his labour. After all, we may find in the course of the next few months or a year that food means the winning or the losing of the war.

While I am on my feet let me say that, if we had approximately 450,000,000 bushels of wheat this past year, and 3,000,000 bushels have passed through these particular channels, only about two-thirds of one per cent of the wheat has been marketed in this way. I do not think the experiment has been satisfactory. I do not believe we should continue to operate under this particular measure, to which, although they use it, the people who are handling grain in western Canada are not favourably disposed. I repeat that I just wish to emphasize the point which has been made by the hon. member for Qu'Appelle.

Mr. DOUGLAS (Weyburn): I wanted to ask the minister a question which does not relate directly to this resolution, but will come up later. Was the grain futures bill which was passed last year, providing for the supervision of the Winnipeg grain exchange, ever proclaimed to become law?

Mr. GARDINER: That act is under the Minister of Trade and Commerce. I do not think it was proclaimed.

Mr. CHURCH: As regards this mythical "bonus" which the industrial provinces get, I never heard of it until three years ago some professor started the idea and it was referred to in this house by some hon. members at that time. As a matter of fact, it does not exist except in the minds of some professors and some free traders on the prairies, and with the war, it has gone forever.

Resolution reported, read the second time and concurred in. Mr. Gardiner thereupon moved for leave to introduce Bill No. 20, to amend the Wheat Cooperative Marketing Act, 1939.

Motion agreed to and bill read the first time.

SUPPLY

Hon. J. L. RALSTON (Minister of Finance) moved that the house go into committee of supply.

He said: The house will understand that a portion of the fiscal year has gone, and it is necessary that interim supply be granted in order to carry on the public services.

The interim supply which I propose to ask for is one-sixth, that is two months' interim supply for all items in the estimates which have been tabled; that is, all items which are to be voted. Hon. members will understand that there are a large number of items which are covered by statutory provision and therefore do not have to be voted by special estimate. I am asking for two months' supply for all items; another and additional month's supply for certain items listed in the schedule to the bill which I propose to introduce founded upon the resolution—hon. members will see, when the bill is in committee, just what these services are—then, another two months' supply for a certain other set of items, which means four months' supply in all for that last class; and another four months' supply for the last set of items, which means a six months' vote, or one-half year, for a special set of items contained in the fourth resolution.

We are asking for two months' supply in connection with all items, for three months' supply in connection with some of the items,

for four months' supply in connection with some others, and for six months' supply in connection with certain others.

Hon. R. B. HANSON (Leader of the Opposition): The minister was good enough to mention this matter to me yesterday. My understanding was that the amount to be voted was one-sixth of the total; and of course, as the fiscal year begins on April 1, it will be readily understood by anybody that two months' supply must be made immediately available or the government services cannot go on. To that provision, of course, there could not be the slightest objection. It has often been done before, under all governments, as far as I know, and there is no objection from this side of the house. But I am wondering whether I should ask at this stage with respect to resolution No. 2, which calls for another one-twelfth in addition to the one-sixth provided by No. 1, for certain items for whose meaning we have been asked to look at the estimates; and for an additional two-twelfths or two months' supply under resolution No. 3 for two votes alone; and under No. 4, the sum of $5,543,000 odd for a full six months' vote, or four months' supply in addition to the one-twelfth asked for in No. 1. I am wondering why the Minister has reached out so far especially in reference to resolution No. 4. I understand that resolution No. 4 carries the deficit in connection with the Canadian National Railways. Is it absolutely necessary to pass at this time the full half of the estimated deficit of $15,000,000? Perhaps the minister will make it clear why the change in plan is necessary. I am not objecting, but it might be well to have an explanation.

Mr. RALSTON: My officers advised me, after I had spoken to my hon. friend and hon. members in the south end of the chamber, that various departments were pointing out that one-sixth of the vote would not be sufficient to meet the necessities of the services in some branches, some of which are seasonal and require heavy payments at the first of the year.

With regard to the Canadian National Railways deficit, as the hon. member knows, the traffic in the early part of the year is down and the amount to be provided is larger than in the summer months, so that the heavy part of the deficit is incurred in the earlier half of the year. And of course the Canadian National deficit is on an annual basis and not on the basis of the fiscal year.

After consultation with the various departments concerned, my officers advise me that they have scrutinized the representations made by the departments, and that in their opinion these amounts are necessary to carry on the service, and the payments ought to be made fairly soon in connection with the particular services represented in these different resolutions. When the bill is introduced, hon. members will find a schedule at the back of it giving the different items which are the subject of different monthly periods for which the votes are granted.

Mr. HANSON (York-Sunbury): That is as regards resolutions Nos. 2, 3 and 4?

Mr. RALSTON: Yes.

Motion agreed to and the house went into committee of supply, Mr. Vien in the chair.

INTERIM SUPPLY BILL

Mr. RALSTON moved:

1. Resolved, That a sum not exceeding $41,455,066.47, 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, 1941, 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, 1941.

2. Resolved, That a sum not exceeding $2,318,646.13, being one-twelfth 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, 1941, 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, 1941, namely:—

Votes Nos. 6, 8, 101, 124, 127, 128, 42, 140, 141, 147, 149, 150, 162, 167, 168, 170, 171, 172, 268, 270, 355, 375, 407, 410, 419, 439, 443, 445, 447, 460.

3. Resolved, That a sum not exceeding $507,316.67, being one-sixth of the amount of the following items to be voted, as set forth in the estimates for the fiscal year ending 31st March, 1941, 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, 1941, namely:—

Votes Nos. 17 and 31.

4. Resolved, That a sum not exceeding $5,543,071.67, being one-third 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, 1941, 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, 1941, namely:—

Votes Nos. 22, 39, 99, 156, 165, 191, 192, 193, 196, 453, 459.

Mr. PERLEY: The Minister of Agriculture is not in his seat. May I ask whether resolution No. 3 will take care of the costs incurred in connection with the Prairie Farm Rehabilitation Act, particularly in connection

with dug-outs, dams and work of that sort? I understand that there was a considerable overexpenditure. Many of those who put in dug-outs expecting to be paid found that the money was all gone owing to the fact that contractors had been allowed to put in a large number of these dug-outs. Is any part of this vote intended to meet expenditures in connection with these dug-outs?

Mr. RALSTON: In the absence of the Minister of Agriculture, I can only say that the vote is available for payments in connection with works which were authorized and for which commitments were made. If the works in question come within that category, they will be paid for out of the vote.

Mr. MacINNIS: The understanding of this group with regard to the resolutions before us is that we shall have an opportunity to discuss all these items when the regular estimates are under consideration. On that understanding we wish to refrain from discussion at the present time.

Mr. RALSTON: That is the understanding.

Motion agreed to.

Resolutions reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. J. L. RALSTON (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

Mr. RALSTON moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1941, the sum of $49,824,100.94 be granted out of the consolidated revenue fund of Canada.

Mr. HANSON (York-Sunbury): Adverting to schedule C, in which the items are enumerated, it may be that a six months' vote in connection with item No. 459, for the Canadian National Railways deficit, $15,000,000, is required now, but is that true with respect to item No. 156, the national parks bureau, historic sites, and so forth, for which the vote is $1,144,215?

Mr. RALSTON: That is the very item which the secretary of the treasury board referred me to first when I called him on the telephone. Before I had seen this bill, I wanted to find out what the nature of the services was, and I said, "What is in need of the six months' service?" And he said, "Parks particularly, because we have to make commitments early in the year." He said that the expenditure is all over by September or October. I join with my hon. friend in being surprised about it, but I can give only the information given to me. I assure my hon. friend he will have ample opportunity to discuss the matter when the estimates are before the committee of supply.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Ralston thereupon moved for leave to introduce Bill No. 21, for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1941.

Motion agreed to, bill read the first and second times, and the house went into committee thereon, Mr. Vien in the chair.

On section 1—Short title.

Mr. MacNICOL: It would be beneficial if the members had the bill before them.

Mr. RALSTON: I think it would be the first time such a bill was ever distributed in the house. My hon. friend will understand that the bill is not printed, that is it has to have a number, and that it does not get a number until after introduction. Therefore we cannot print the bill before it is introduced. I should have seen that the draft bill was printed, as I did yesterday, but in this case apparently it was not done.

Section agreed to.

Section 2 to 6 inclusive agreed to.

Schedules A, B and C 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. RALSTON (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. Vien in the chair.

Mr. HANSON (York-Sunbury): Perhaps the minister would be good enough to make a statement now.

Mr. RALSTON: There were two matters I wanted to mention to the committee. One was in regard to a question asked by the leader of the opposition with regard to section 4. The hon. gentleman asked me whether there were any other general borrowing powers outstanding, in addition to the amount authorized by this measure. I told him that we had the $750,000,000 general act of last year, which had been exhausted by the issue of war savings certificates, and that I was not aware of any other act. As a matter of fact, I should tell him that the general appropriation act of each year contains provision for borrowing up to an amount of $200,000,000, and there has been borrowing under that act to the extent of $65,000,000. I believe the announcement is to be made to-day, but a day or two ago we issued $65,000,000 of 2 per cent bonds, I think for five years, in retirement of an $80,000,000 issue which is maturing. In other words, at the moment, until the new appropriation act is passed covering these estimates, there is outstanding the power to borrow $135,000,000, the difference between the $200,000,000 provided for in the general appropriation bill of last year and the $65,000,000 just issued. That power will expire concurrently with the passing of the new appropriation act.

Another matter was mentioned last night by the hon. member for Cumberland (Mr. Black), as to whether it was intended, out of the funds provided by this bill, to pay the cost of administering the Department of National Defence. At that time I told him that was the intention. I should have directed attention to the fact that in the general estimates there is provision for a comparatively small amount for the administration of the Department of National Defence, which is in addition to any sums which will be paid out of the money provided by this bill. At page 25 of the estimates as tabled the hon. member will find provision for $228,925.42 for the Department of National Defence, normal services, pensions and other benefits.

The hon. member for Northumberland, N.B. (Mr. O'Brien), asked a question with regard to the purchase of timber by the British government. I have just received a memorandum from my secretary in this regard. I am afraid I shall have to read this memorandum, since I have not had time to study its contents:

On the advice of Mr. Wiseman and (through him) of Sir Gerald Campbell's office, I communicated with Major L. R. Andrews, manager of the trade extension bureau of the British Columbia Lumber and Shingle Manufacturers' Association regarding this matter. While there are in Canada representatives of the British ministry of supply, there are no representatives here of the timber controller for the British government. I quote from a memorandum which Major Andrews has sent me, as follows:

"Major A. I. Harris, timber controller for the British government, handles all bulk purchases of lumber and timber. Up to the present he is dealing through the regular channels. That is, his inquiries go to the big timber agents and importers in the old country who contact their representatives in Canada for quotations, usually requesting prices on very large volumes, 50 million to 150 million feet at a time delivered to a Canadian port. The timber controller then arranges for his own freight to the old country.

"In connection with aeroplane spruce, which is a specialty wood, the ministry of supply have appointed Mr. Bryan Gatty (at Vancouver) purchasing agent for the British and French governments.

"In connection with boxes Mr. Bennett, of the British Box Board Commission (916 University Tower Building, Montreal) is sole purchasing agent for the British ministry of supply for boxes (in the same office as Mr. Ken Fensom, timber commissioner to the United Kingdom for eastern Canada).

"In connection with pit props Mr. L. T. Daniels has been appointed by the ministry of supply as head of the Pit Prop Export Limited. He is located at 4 Imperial building, Moncton, New Brunswick. He has control of purchases of all pit props for the United Kingdom ministry of supply.

"Mr. R. L. Sargant, secretary-manager of the Canadian Lumbermen's Association, has authorized me to say that he is in agreement with me that the purchase of timber by the timber controller is being very well handled and there does not appear to be any necessity for local representation in Canada."

By that I presume he means local representation of the British timber controller.

"If such were the case it would appear obvious that a representative would be attached to Colonel Greenly's staff here."

As my hon. friend knows, Colonel Greenly is head of the British purchasing mission here.

Mr. ROGERS: I believe several questions were asked while I was not in the house yesterday afternoon, and an undertaking was given that they would be referred to me for reply. One question was asked by the hon. member for Cape Breton South (Mr. Gillis), in the following terms:

What is the regulation of the minister's department in respect of the following category: A married man with a wife and dependents who was parted before enlistment, but who, in accordance with the court decision, was compelled to support his wife and child before enlistment, neglects to make provision for them? His wife has presented her marriage certificate and a copy of the court order granting her support. This support had been taken from her

by virtue of her husband's enlistment, he having failed to register at that time. Have there been any complaints of that kind? If so, what is the ruling in such cases?

Quite a number of such cases have already arisen. The dependents' allowance board obtain a statement under oath from the wife and forward it, together with a copy of the court order or separation agreement, to the commanding officer of the soldier concerned, who is then paraded and given an opportunity to recognize his responsibility. Considering both the wife's statement and the husband's statement, the board then decides on appropriate action. If an assignment of pay by the soldier is not sufficient to make up the required sum under the court order or separation agreement, the board may then make an additional allowance up to the required sum.

I also have a question which was asked by the hon. member for Rosetown-Biggar (Mr. Coldwell), in which he refers to a class A boy, who under existing regulations suffered some special hardship with respect to his eligibility for dependent's allowance. The answer to that question is as follows: It is not understood what the hon. member means by a class A boy, because there is no such category in the militia. It may be that he refers to the grouping which applies to tradesmen's rates of pay under classes A, B and C. Boys under the age of eighteen are considered as learners or apprentices and are not entitled to tradesmen's rates of pay until they are mustered as men. The rate of pay for a boy is 70 cents a day. He may make assignments to a dependent and apply for dependents' allowance on behalf of the dependent. If the hon. member for Rosetown-Biggar would give me the name and the particulars of the boy to whom he refers, I shall have his case investigated in order to ascertain the reason for his being refused dependents' allowance on behalf of his parents. I believe that was the particular question raised by the hon. member.

Then two questions were asked by the hon. member for York West (Mr. Adamson), as follows:

1. Is the minister prepared to tell the committee how many Bren guns have been produced, and—unless he would consider this as not in the public interest—whether the Bren guns so far produced have been satisfactory?
2. Are we producing any 25-pounder guns, any anti-aircraft guns, and what is the production of small arms ammunition and of field ammunition?

My hon. friend is not in the house at the moment, but it is not considered in the public interest to supply the answers to these questions. I shall be very glad indeed to give him a further explanation of why it appears necessary to give such an answer at this time.

Mr. HANSON (York-Sunbury): That seems to be a reversal of the attitude taken yesterday afternoon by the minister. If he will look at page 230 of *Hansard* he will see that he promised to give me a statement on the production of Bren guns, and used the words, "possibly this evening." I have been expecting him to do so. However, if in the interim he decided on some other course, or that it is not in the public interest to do so, he will be prepared to take the responsibility. But I thought it was decided last night that a statement would be made. At all events, that is how I interpreted his remarks.

Mr. ROGERS: I have a copy of *Hansard* before me. The leader of the opposition said:

I should say that the minister could at this moment give as a general statement, information as to whether we are producing Bren guns.

I went on to say that I would be glad to make a statement upon that matter, and did use the expression, "possibly this evening." The question put by the hon. member for York West was somewhat beyond that, as my hon. friend must realize. I might say I should be very glad indeed to explain to the leader of the opposition the entire position with respect to the production of Bren guns. May I point out that in these matters I am acting entirely after consultation with officers of the department? I could go this length and say that the Bren gun is in production, but certain modifications just received from England will be adapted before actual issue takes place. I can go that far in making a statement upon the matter, but it is not considered in the public interest to answer the question specifically as put by the hon. member for York West.

Mr. HANSON (York-Sunbury): I would be pleased if the minister will see me about the matter, because the production of Bren guns is of great importance. Of course, if there is real good reason why information should not be made public, I will respect it.

Mr. ROGERS: I appreciate that.

Mr. HANSON (York-Sunbury): I take the responsibility of saying that. And while I am on my feet—and I understand that we are dealing with the new resolution, No. 17 on the order paper with respect to the proposed loan of $750,000,000—may I observe that the minister has made some statements with reference to dependants' allowances, and other matters, which I suppose might more properly come under the war appropriation bill. While we are dealing with dependents' allowances, however—

Mr. RALSTON: Oh, what I called was the order for the debate on second reading, but it would seem that we are in committee on the resolution.

Mr. HANSON (York-Sunbury): I was misinformed. I thought we were dealing with order No. 17.

Mr. RALSTON: I am sorry if there is a misunderstanding.

Mr. HANSON (York-Sunbury): We can go back to a consideration of the bill, and for that purpose we would have to report progress on the resolution.

Mr. RALSTON: I must confess I did not hear the number of the order called. When calling the order I simply said, "war appropriation." However, according to the chair we are now dealing with the resolution involving the sum of $750,000,000. That being so, I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

WAR APPROPRIATION BILL

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

The house resumed from Monday, May 27, consideration in committee of Bill No. 18, for granting to his majesty aid for national defence and security—Mr. Ralston—Mr. Vien in the chair.

On section 2—Appropriation.

Mr. HANSON (York-Sunbury): Last evening, in response to a request I made to the Minister of Finance, he was good enough to send me a copy of a typewritten statement showing total war expenditures up to March 31, 1940, amounting to over $118,000,000, and he supplied me with what I thought was to be a break-down of those figures. What he sent me in fact is not a break-down, but merely a distribution of the total among the different departments. For instance, under the heading of details there is an amount of $112,469,000 for the Department of National Defence.

Mr. RALSTON: Is the hon. member reading from *Hansard*?

Mr. HANSON (York-Sunbury): No, from a memorandum which the minister read into *Hansard*.

Mr. RALSTON: Yes, that is what appears in *Hansard*.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): But this is not the information for which I was asking. It is a distribution of total expenditures, but it is not a break-down, in the sense an accountant would use the term. We would like to have details of the $67,579,000 for the army, and that sort of thing. That is what I call a break-down. We cannot intelligently discuss the details under this section of the bill until we have that information. Probably I should have indicated my position earlier in the day, and should have pointed out to the minister that the information he gave was not a break-down of the total war expenditures, but merely a statement of distribution. I am not so particular about the $6,000,000 for the other departments indicated in the table, because I believe I understand what most of those expenditures would be. I would point out, however, that we should have the details respecting the huge expenditures on the army, the navy, the air force and the air training plan. Perhaps the word "break-down" is not the correct technical term.

As it is now six o'clock, I would ask the minister to give consideration to what I have said, and to ascertain whether he can give the committee the details. I am not asking for complete accuracy to the last cent or dollar, but I believe we should have some idea what the expenditures have been.

Mr. RALSTON: I find I did give my hon. friend what I thought I had given him. I was afraid I had made a mistake. I understood he desired a break-down. By that term I understood I should supply a distribution between the various services, the air training plan and other defence services, and among the other departments. I gave my hon. friend that information. I did not know he was asking, nor at that stage did I intend to give him, a break-down of the expenditures for the army, or the navy. That is, I was not at that time attempting to show how much of the sum allocated to the navy was spent for boats, how much for pay and allowances, and so on. I should be glad to consider that point, but I would ask my hon. friend during the dinner recess to consider whether it is advisable to break down those figures, and how far.

In what I have done I am following the practice of 1915 and 1916. I am not suggesting that that is binding at this time, but it is what was done by the then Prime Minister, as reported at page 1397 of *Hansard* for 1915. At that time Sir Robert Borden said:

> The statement which has been given to me in regard to the expenditures by various departments of the government under the appropriation, up to the 30th January, 1915, is as follows.

And then he set out a figure of $32,000,000 for militia and defence, as a whole, $3,000,000 for naval service, and so on. That was all that was done at that time. The other items in the table referred to other departments.

I wonder if my hon. friend, to save the time of the committee and of the department, would indicate to me on what items he would like to have information as to the amount of the expenditure made.

Mr. HANSON (York-Sunbury): The main items of course are the army, the navy and the air training plan.

Mr. RALSTON: But what items in those?

Mr. HANSON (York-Sunbury): We cannot really tell until we see them. This is merely a distribution; it is in no sense the detailed expenditure. If it is not in the public interest that we should have the information, the government must take the responsibility, and I have not very much more to say. For the sake of illustration, I was told by a member of the other house, a gentleman who is very close to my hon. friend, that some Tory profiteers had gone down to New York, bought a lot of rich men's yachts and sold them to the government. They are now in Bedford basin or somewhere in that vicinity. I did not treat the story very seriously, but I would ask what amount has been spent in the purchase of bottoms in the United States, where the purchases were made, and so forth. That is merely an illustration of what I have in mind, and I am giving it to illustrate what we would like to have. Of course, we do know that pay and allowances must account for a large portion of the $69,000,000 for the army, and there is no necessity of going into that. But there are other things, and until we know what the government has done, until some detailed expenditure is given to us, how can we possibly investigate these expenditures? That is what I have in mind and the minister might give it consideration during the dinner hour.

Mr. RALSTON: I assure my hon. friend that these are not mere generalities. I want to give the utmost information I can. But I say to him also that I do not believe any government has ever before submitted a statement showing each individual item. Take, for instance, the item my hon. friend mentions. The statements in the public accounts appear in the form of votes. It may be pay and allowances and other things. That was exactly the purpose I had in mind when I put opposite pages 2, 3 and 4 of this bill certain headings which would indicate certain objects of expenditure respecting which hon. members could ask questions. But I did not expect to bring down the public accounts, as it were, showing in detail all the individual invoices paid in respect of each particular item. I suggest to my hon. friend that he and I both give the matter consideration during the dinner recess; and I think the best way would be, if he has anything in mind with respect to which he desires to ask questions, to do so, or if I have anything in mind with regard to a break-down of the expenditures I shall be glad to give it. That will give my hon. friend an opportunity to ask for details in connection with a particular item; and if the information can be given, in the public interest, it will be given, but if it cannot be given in the public interest, an explanation will be made which will be entirely satisfactory to my hon. friend.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

On section 2—Appropriations.

Mr. RALSTON: The leader of the opposition asked for some further figures in connection with the expenditure. I may say that I did not expect to be giving a further break-down, but I have had the office of the comptroller of the treasury working during the recess, and I expect to have in a few minutes figures which will show a break-down under the general headings which are mentioned in the explanatory notes to the bill itself.

Mr. MacNICOL: May I ask the Minister of National Defence a question in connection with paragraph (c), particularly with regard to the word "industry." I read in the press that the United States government have issued an order that no one but citizens of that country shall be permitted to work on the manufacture of any military equipment for that government. Will there be or is there in Canada a similar order, permitting only British citizens to work on the manufacture of munitions required by this government?

Mr. HOWE: There is no such order. Canada is interlocked with the United States in a good deal of its production, and I think it would be hardly feasible to put an absolute prohibition against anyone excepting a citizen working on any British munitions order. I believe we would find that our production would be very seriously curtailed.

Mr. MacNICOL: Then how can the United States do it?

Mr. HOWE: The United States is a more self-contained industrial country than Canada. Canada is still dependent upon the United States for certain grades of steel, for cotton and for certain other materials, and I believe that an order of the kind that my hon. friend suggests would cut our production tremendously.

Mr. MacNICOL: As a matter of fact I had not suggested anything. I only asked a question, and my question pertained particularly and solely to the manufacture of munitions in Canada, not in the United States. We have no control over whom they employ in the United States to make munitions for Canada, but have we not control over Canadian manufacturers employing people to make munitions in this country?

Mr. HOWE: We have control, of course. But we have passed no such order.

Mr. GREEN: The other day, when the hon. gentleman acting as Minister of Munitions and Supply made a statement, he mentioned that certain articles of equipment could not be manufactured in Canada. Apparently the intention was that some would be procured in the United States and some would be obtained in Great Britain. It seems fairly obvious now that it will not be possible for us to get equipment in Great Britain. Certainly we shall not be able to get very much from there. Under those conditions would it not be possible for the government to initiate a programme under which all equipment shall be made in Canada or purchased, say, from the United States or from Australia?

There is one other matter upon which I should like to have information. Apparently there are across the country many plants which have been anxious to do war work and have not yet been given an order, perhaps because they could not carry it out as cheaply as some other firm. In view of the seriousness of the situation in which we are placed at the present time, would it not be well to allot work of one kind or another to all these plants and get them into the war effort without any further delay?

Mr. HOWE: I may say that since the position of Britain as a supplier of Canada has changed, the Department of Munitions and Supply is making strenuous efforts to review production of such war materials as it had been dependent upon Great Britain for. We are exploring the possibilities of production in Canada; we are replacing certain supplies by obtaining them from the United States instead of from Great Britain, and we are reviewing our whole purchasing programme.

[Mr. MacNicol.]

Our position previously, of course, was quite obvious. We were collaborating with Great Britain; where they had obvious advantages in respect of production we were not attempting to manufacture the same class of supplies. We thought our best contribution would be to concentrate on certain articles which we could produce more advantageously than Britain. At the moment we are revising that policy in the light of the existing situation, and we anticipate that there will be a speeding up of production and an opening up in Canada of new lines of production just as rapidly as they can be organized.

Mr. GREEN: What about making use of these smaller plants across the country?

Mr. HOWE: As I interpret my job, it is to supply the requirements of the armed forces in the most efficient manner possible. As far as I am concerned I am not interested in whether a plant is large or small provided it can do the job. We have certain work to do; we have a complete record of every plant in Canada and its equipment, and we are doing our best to use the resources of Canada most efficiently.

Mr. GREEN: I understood the other day that the question was one of cost. I am not suggesting that any particular small firm should get work, but I am asking whether it would not speed up the production of equipment if all the plants in Canada were used on the manufacture of one or another type of equipment.

Mr. HOWE: Well, it would indeed, provided we required types of production that could use all the plants. As it is, we have certain requirements to fill; and as I say, we have a record of every plant in Canada. We try to fill those requirements as efficiently as we can and at a reasonable cost, although we have never let cost be the entirely determining factor; the factors of deliveries and quality are very important, in fact they are often the determining factors. But naturally we pay no more for this equipment than it is necessary to pay.

Mr. CHURCH: Will there be sufficient funds available in case the government finds that, owing to the progress of the war, it may be necessary to call out the militia all over Canada? Also at some militia camps last June there were complaints of a lack of mechanized equipment.

Might I refer to another matter under this bill for granting to his majesty aid for national defence and security? Section 91, subsection 7 of the British North America Act says it is this parliament's responsibility under

militia and defence for the protection of all municipal and provincial property in time of war, which includes in the Niagara district, for example, rights of way and towers for direct current of the power lines. The importance of those power lines during the last war is shown by the fact that at one time Ontario was supplying 56 per cent of all the munitions because Ontario's industries had cheap power ready. If the power went off through lack of guards, the production of munitions would be stopped or slowed up. I should like to know what the government is going to do about this question of soldier guards on all municipal and provincial utilities. This matter has been before the house; it was one of the scuttled motions away back in January. The onus of protecting the lines during the last war was on the dominion government under the words, "militia and defence." For example, there is a camp at Camp Borden, another at Barriefield, and another at Trenton. Soldiers in these camps were, in the days of the first war, used in part of their time, while in training, for this guard duty, and were utilized in guarding the rights of way of public utilities all over Ontario.

What is the government going to do also about cadet services? In the great war, in fact, in all the wars that we have been engaged in, had it not been for our cadet services the militia units, who are largely recruited from former school cadets, would not have made the showing that they did. They were the back-bone of the militia during the days before the South African war, in the Northwest rebellion and in the last great war. I submit that we should have a declaration from the government on a forward cadet policy in conjunction with boards of education.

There have been many requests for transportation on the railways for our soldiers. The soldiers are moved from Windsor to Camp Borden and from the maritimes to Toronto. In the last war the government issued what were known as soldier commutation tickets, and were carried on the local street cars free in many cities. I have seen instances, in the city I come from, of women and children travelling on trains and having to pay full fare, coming long distances. Some of these camps are only five or ten miles from a city. The men are getting $1.30 a day. When 30 cents a day for carfare is deducted, there is not much left them; and if they are late they are fined and may lose two or three days' pay. The result is that the women and children suffer. The minister ought to look into this matter and make an announcement. He should get in touch with the boards of education in connection with the cadet movement.

May I say one word in conclusion with reference to soldier insurance. Surely out of this $700,000,000 there can be found something for looking after the insurance of our men who are going overseas, both for those who get killed and for those who come back after the war. In my opinion it would be cheaper if we had a system of soldier insurance to take care of dependants of those who are killed and to aid in the civil reestablishment of those who come back. A system of this kind would effect a large economy in pensions, and widows' and other allowances.

I hope that as the session proceeds the government will see the advisability of having one or more private sessions. If we had one or two such sessions, we could clean up a large number of non-contentious matters which, if freely and fully explained, would no doubt pass easily, such as improvements and inequalities in dependants' allowances, guards, recruiting, and other soldier grievances.

Mr. CASTLEDEN: May I refer briefly to a matter of vital importance which so far has been almost completely overlooked in the debate? The Minister of Finance spoke the other day of the morale of our Canadian troops. Without that proper morale, all the money, all the men and all the sacrifice will be of no avail. What creates this spirit in our men and in our people? It is created by faith and confidence, by that assurance which comes from the knowledge that their leaders have the ability and the power to render proper leadership. How can we best create that assurance in the minds of those who go to sacrifice all that living means? How can we maintain in the hearts and minds of those who remain at home that proper spirit? We can do it only by assuring them that their sacrifices are not again a waste of life and material, and the creation of a great debt which will cast its shadow over the lives of generations yet unborn. There must be proof of effective action at home. They must know that there is not corruption or profiteering. We must rid Canada of the spirit of a profiteering world. These boys must be assured that justice will be preserved and democracy maintained at home. Let the traitors of the great cause of democracy—those who would use the freedom given to them under the British flag to betray us in the dark hour of trial—be treated as befits their acts; but let us be equally sure that the civil liberties, the justice and the fair play, which are also a part of our traditions, will not be destroyed in the process. That is vital.

Canadians must always remember that the civil liberties won for us by our forefathers are our only guarantee for progress. It is

those liberties for which we are at war. They are sacred to all true Canadians—they must never be abused. The maintenance of those liberties is a sacred trust of this parliament. To-day Canada's manhood goes to fight to maintain freedom and democracy abroad so that these rights still may be the heritage of future generations.

It is incumbent upon every parliament of Canada to respect and constantly protect every clause of our constitution. Orders in council may be necessary at a time of stress, but Canadians must be eternally vigilant to see that these privileges are properly used. No cabinet should be permitted to set aside legislation passed by parliament as was done on August 26, 1939. Not until seven or eight days later was the War Measures Act passed which permitted such action. Why? When our constitution is not respected, Canadians must make their instant protest; for the path of such action leads directly to anarchy.

Mr. RALSTON: I am sure my hon. friend is not aware that the War Measures Act was in force at the time, forming a part of the statutes of Canada published in the Revised Statutes of Canada, 1927.

Mr. CASTLEDEN: Was it not made retroactive?

Mr. RALSTON: No.

Mr. CASTLEDEN: While men offered their life-blood in the hour of danger, profiteering industry refused to provide the sinews of war. To-day Canada hangs her head in shame as we find our earliest efforts thwarted for want of supplies. Canada and the empire were sold out.

Quoting from *Hansard* of September 12, 1939, page 179, I find these words of the Minister of Transport (Mr. Howe):

> I can say to my hon. friend that from that day to this the defence purchasing board has done its very best to place contracts on that basis and has used every pressure that could be brought to bear in the form of patriotism and so on, but to date it has not succeeded in placing a single contract on that basis.

This is one of the most revealing cases of the attitude of industrialists toward the war. From this statement it is quite evident that there was agreement among the contractors. It is abundantly evident, too, that patriotism and sacrifice mean nothing to them—profits mean everything. Profits to them mean more than Canada or the British empire. They are largely responsible for our present plight with regard to the shortage which is paralyzing our war effort. Instead of yielding to the demand for a greater increase in profits, why did not this government or the administration nationalize the industries which are so vital to our very existence?

Is money again to be considered of more importance than life? Many boys from the western plains leave debt-ridden homes as they go to fight for Canada. After enlisting, they hear that relief quotas are to be drastically reduced, farm machinery prices are raised within ten days after the election, and the soldier goes into battle wondering how his aged parents and his sisters can live on the meagre returns from the home he has left. There are no profits for him. To-day he looks to this house for leadership. He asks why, if he is willing to give his life, the money-lenders should not be willing to give a part of their money. In the last war Canada socialized her greatest natural resource, the blood of her manhood; and while this was being poured out, profiteering industry and money-lenders enriched themselves with tax-free bonds, and laid upon coming generations a debt so staggering that we can but borrow to pay the interest. Too soon wives and parents will be sent telegrams to tell them that their husbands and sons will not come back. No telegrams will come to tell the money-lenders that some of their contribution will not come back.

An hon. MEMBER: It will not either.

Mr. CASTLEDEN: Why do we not have some equality of sacrifice? The boys in 1914-18 died in what they were told was a war to end war.

Mr. HANSON (Skeena): What is the hon. member reading?

Mr. HANSON (York-Sunbury): He is a new member, let him go on.

Mr. HANSON (Skeena): My point of order is that I should like to know whether he is reading his own speech or if someone else wrote it for him.

Mr. ROWE: There is no point of order in that.

Mr. HANSON (Skeena): Is he reading his own speech or what someone else said?

The CHAIRMAN: I do not think that is a point of order. It might be a question to be asked of the hon. member who has the floor.

Mr. CASTLEDEN: I thank you, sir. We maintain that the natural resources of Canada are the birthright of the Canadian people. We believe that they should be used to the utmost in the winning of this war. This control over our life eats like a cancer into

the good young life of our country, and our people wilt and rot. Canada is rotting to-day. The most healthy part of this nation, as far as I can see, is in the maritime provinces where cooperative societies are making some progress. Ex-directors, directors and legal advisers of big business are, I fear, too close to the coffers and inner councils of this government.

Mr. HANSON (Skeena): Mr. Chairman, on a point of order—

The CHAIRMAN: Order. The question is raised as to whether the hon. gentleman is reading his speech. The rules of the house do not permit him to do so. If the hon. gentleman is reading his speech—

Mr. CASTLEDEN: I have some notes.

Mr. HANSON (York-Sunbury): On that point of order, my understanding is that the hon. member is following his notes pretty closely but, he being a new member, I suggest that we allow him to proceed; I think we shall make progress better in that way than in any other.

The CHAIRMAN: I draw the attention of the committee to the fact that, from the beginning of this session, no objection was ever raised to an hon. member reading his speech; but when the attention of the Chairman is drawn to the fact that an hon. member is reading his speech, the Chairman has no alternative but to call attention to the rule.

Mr. CASTLEDEN: Thank you, sir. The common peril at this time, and the common good of this and future generations, demand the public ownership of all the natural and industrial resources of this country. These are the wealth that provides the sinews of war. We also believe that if you take the profits out of war, you would do a great deal to abolish war. If that is done, perhaps the world and humanity may yet be saved. Canadians have inherited a great land, and they are willing to sacrifice for it. Our government should be immediately condemned if they fail to take these natural resources, the things that belong to the people of Canada, and use them in this hour of trial. Western Canada has been betrayed by the governments of this country. The people in that land have been exploited; the organization of society in the west is but a shadow of its former self. The other evening this house listened with bated breath to the cry of humanity—the cry of a mother starved for her brood. I watched, with sinking hopes, the looks of disdain on the faces of some hon. members opposite. She spoke for thousands. Let me warn this administration that out of that great land of suffering humanity will rise a voice which will demand the restoration of the heritage that has been taken from them. They will demand that measure of equality and of social justice and the opportunity to live which have so far been denied them. If this government fails, there will sweep across Canada, when this war is ended, a rising protest which will take this present administration and drive them into the "abysmal depths of oblivion" from which they never should have emerged.

Some hon. MEMBERS: Oh, oh.

Mr. CASTLEDEN: The western province have been the victims of vicious exploitation. Uncontrolled grain exchanges, unchecked machine combines and ruthless mortgage and finance companies have looted and ravaged the great land of the west. The price of everything the farmer buys is controlled, but he is given no assurance even of a minimum price for the commodities he sells. Over ninety-five per cent of the farmers of Saskatchewan are in debt; almost ninety per cent have mortgages on their farms and forty-five per cent of them have lost their land and become mere tenants and share croppers. About one-third of the people in the constituency which I have the honour to represent are of Ukrainian birth. They came to Canada, have worked to build a home, and now in the hour of trial they are willing to offer themselves to fight for that measure of freedom which they know should be the heritage of every Canadian, and which was denied them in Poland from which they came. These men are offering themselves willingly. To the eternal shame of Canada we find these dispossessed people more willing to die for Canada than are the money-lenders to surrender their pound of flesh. Give to Canadians the assurance that when this war is over and they come back, opportunity will exist for all. They look to you for that guarantee. Demonstrate to everyone that action and a square deal will be the great achievement of this parliament; that will inspire our people to great sacrifices, and so great will be their morale that they will win against all odds. This administration has been in power for over five years; it has been returned with the greatest majority ever enjoyed by any government in this house—

An hon. MEMBER: Too long and too big.

Mr. CASTLEDEN: They have an opposition which is willing to assist in every way and a willing people ready, yes begging, to serve. Do not betray them.

Mr. NEILL: The Minister of National Defence (Mr. Rogers) was kind enough before six o'clock to answer one or two questions with regard to dependents' allowances, although it did not seem very appropriate to the section. I wonder if he will allow another question in that connection.

Mr. ROGERS: Certainly.

Mr. NEILL: It is perhaps not so much a question as an explanation which I think will be appreciated by many people throughout the country who seem to think—and I share the view—that some discrimination exists in connection with the matter.

When the war began, the government in their wisdom, and I think rightly, decided to realign the payments made to soldiers' wives, and also introduced payments to dependents. They raised the payments made to wives from $20 in the last war to $35, quite properly. They also introduced the question of soldiers' dependents, giving the woman an allowance for the children the soldier had up to two, and also took cognizance of dependent mothers. But for some unknown reason they allowed a dependent mother, who stood in the place of a wife to him as far as housekeeping and so on goes, only the sum of $20, and the argument for this is along these lines. I applied to some of the numerous boards, and I quote the answer I received as to why a widowed mother should not get $35 just the same as a wife:

> As a consequence of the additional responsibilities assumed by a wife in regard to the maintenance of a home for herself and her husband and possibly her children, the total expenses involved are considered to be greater than those of a mother whose responsibility ends with her own maintenance.

I differ very much from that. In the first place there is no need to introduce the question of children because they are paid for separately. Further, a woman does not have any more expense maintaining a home for herself, if she has no children, than if she is the soldier's mother. Furthermore, the wife of a soldier to-day would naturally be a young and presumably healthy woman. She would not require as much to maintain herself; she could even go out to work to a certain extent, if she had the opportunity. Certainly she could do certain chores round the house, such as splitting and bringing in wood, that would be perhaps impossible for an aged mother to do. Again, the old mother would probably require medical care and attendance, which surely would bring her requirements up to those of a wife. So, instead of giving only $20 to a mother, I would suggest that the amount should be the same as that given a wife, which is $35. If $35 is considered to be a fair and reasonable sum for the woman who is left alone, who is relieved of many of her responsibilities in connection with maintaining a home through the absence of her husband, I think that should be considered also a fair and reasonable sum for the mother.

I should like also to refer to a case which probably does not arise very often, but which has arisen and in which I think a favourable decision might be given. I took up the case of a man who was the sole support of his grandmother. When he went overseas she was not allowed anything. When I took up the case I discovered that according to the rules, which were formulated last August or September, the grandmother would be eligible if the soldier were illegitimate, but that if he was of legitimate birth the grandmother would not get anything. I believe that was later altered, but only to the extent that now no grandmother is eligible for the allowance. I imagine there would be very few cases in which the grandmother would be the sole dependent of a soldier, and in those few cases I think the department might well waive the difference between the words "mother" and "grandmother." That is a small matter which could be easily adjusted. I should like an explanation on that point and also as to why an aged widowed mother, requiring assistance in her house and perhaps medical care, should not receive the same allowance as an active wife.

Mr. ROGERS: I should like to thank my hon. friend for bringing these cases to my attention. The other day the Minister of Finance announced that the regulations concerning dependents' allowances would be reviewed in order to discover cases of hardship and to seek remedial measures where such cases were found. I quite agree with my hon. friend that it is difficult to distinguish between the soldier's wife without children and the mother he mentioned.

Mr. HANSON (York-Sunbury): The children do not matter; they are dealt with separately.

Mr. ROGERS: Quite so. Actually I believe the amount payable to a mother in the circumstances mentioned is based upon the amount paid under the Pension Act. I should like, however, to take note of both the cases mentioned by my hon. friend, and I will see that they are made subject to review. I shall give him any further information that may be required on that point.

Mr. NEILL: Not these particular instances only but typical similar cases.

Mr. ROGERS: Quite so. While I am on my feet I should like to say to the hon. member for Broadview (Mr. Church) that the appropriation provided by this bill is intended to cover the expenditures he mentioned, for example the possible expansion of encampments during the summer months and any expansion which may be necessary in our Canadian active service force. Needless to say, if the amount provided is not sufficient for these purposes, more money will be obtained, because we must be guided by the necessities of the situation as they develop.

In the committee there has been some discussion of the position of tanks and their utilization in Canada. I should like to take this opportunity to deal with an exchange of correspondence on the subject of tanks and more particularly on the employment of Colonel Carter, British tank officer, this correspondence having been made public yesterday in a Toronto afternoon paper. I think it is of some importance that this question be dealt with at this stage. Perhaps I might proceed by first placing on record a telegram which I received on November 14 last from Major Everett Bristol, of Toronto, as follows:

In view of newspaper reports yesterday that Canadian government is asking British government for experts may I call your attention to the fact that Colonel E. J. Carter lately chief instructor of the royal tank school, England, one of Great Britain's experts on tank and armoured car design and tactics is at present at the Mount Royal hotel, Montreal, and proposes to sail for England on Saturday 18th. Colonel Carter who is retired expects to be reemployed in England on his return but in meantime is not under orders and is available if required here. He has already visited the tank training centre at Camp Borden and is well known to General McNaughton. As a result of meeting him a group of ex-officers and others in Toronto have expressed their willingness to assist in any way that may seem practical in developing tank training equipment and for benefiting Canadian armoured troops generally. May I respectfully suggest that Colonel Carter be asked to postpone his sailing and that he be interviewed with a view to the possibility of utilizing his services in the training of the tank units of the C.A.S.F. and in the event of production of tanks on this side being determined upon in advising on the technical problems relating thereto.

In reply I sent the following telegram on November 15:

Reply your wire yesterday respecting Colonel Carter, appreciate your interest in this matter. Matter has been carefully considered but our tank organization does not warrant appointment additional senior officers at present.

That is signed by myself. In accordance with the usual procedure my reply to Mr. Bristol was made after his telegram was referred to the appropriate officers of the Department of National Defence for a report. My reply was based on this report. To put the matter briefly, it was considered that while Colonel Carter was a most competent officer—I should like to have it fully understood that there was no question at all as to his competence—our tank organization did not warrant the appointment of additional senior officers. Lieutenant-Colonel Worthington, a Canadian officer, was in charge of this work. He had exceptional technical qualifications and was well acquainted with Canadian conditions. He was an officer in whom everyone, including the tank authorities in England, had the greatest confidence. After his return from England, where he had been taking a course in tank tactics and maintenance for over a year, the highest reports on his work were received from the authorities in the United Kingdom. Therefore it was considered that for the present no additional senior officers would be required, since Colonel Worthington was a competent adviser on all matters pertaining to tanks. I might add that during his visit to Canada, Colonel Carter met General McNaughton as well as other staff officers at the Department of National Defence, where he was received with every courtesy and consideration.

The article in the Toronto *Telegram* raises the further question of why tank units were not sent forward with the Canadian division. The reasons why we have not sent tank units overseas relate in part to the war establishment of a division and in part to problems of production. So far as the organization of a division is concerned, tank battalions are neither divisional nor corps troops. They are army troops and are supplied on an established scale to each corps forming part of an army. As it was intended at the outset that the first Canadian division would form part of a British army corps in the field, it was decided that tank battalions for this British corps should be supplied by the British army establishment, at least until such time as we were able to work out the problem of tank production in Canada in cooperation with the British purchasing mission. My colleague the minister who is acting as Minister of Munitions and Supply will be in a position to deal with this aspect of the question. I felt it was of some importance that I should place this information before the committee as soon as possible, because I want to make it entirely clear that our attitude towards Colonel Carter was one of respect for his ability. But the officers of the department, with full knowledge of the situation, were convinced that in the person of Colonel Worthington, who had a distinguished record in the last war, and had had specialized training in tactics in England

recently, we had one who was entirely capable of supplying us with whatever advice might be required in connection with the use of tanks.

Mr. HANSON (York-Sunbury): While we are on the question of tanks and tank equipment, would it not be desirable that the minister who is acting as Minister of Munitions and Supply give to the committee a frank statement as to what the government policy is in relation to this class of equipment, and also some information in respect of aeroplanes. I have heard something of the story with respect to aeroplanes, and I know something of the difficulties. We have had no statement from any member of the government as to the question of policy on this major equipment, namely aeroplanes.

Mr. RALSTON: My hon. friend will note that the minister who is acting as Minister of Munitions and Supply was about to make a statement when the hon. member rose.

Mr. HANSON (York-Sunbury): We would like to hear it.

Mr. HOWE: I might explain at the outset that it was not the function of the late war supply board, nor is it the function of the present Department of Munitions and Supply to state the defence policy of the country. It is the function of the Department of Munitions and Supply to obtain materials and supplies as required by the service departments of this government, and the departments in Britain.

However, I am in a position to give a history with respect to tanks, as it has reached the Department of Munitions and Supply, and its predecessor board. On October 20, 1939, a requisition was sent in to the defence purchasing board, which was then functioning, for one hundred tanks, infantry, mark 3, known as Ballantyne tanks, hulls only. That was received from the British purchasing mission. This requisition stated that drawings and specifications would be forwarded as soon as possible.

Drawings and specifications were received by the production department of the war supply board on January 27, 1940. A conference was immediately held between the technical experts connected with the British purchasing mission, the technical experts of the war supply board, and the master of ordnance department of the militia, and it was decided that the logical plant in Canada to undertake the order was the Angus shops in Montreal. The Canadian Pacific Railway, which owns the shops, stated that it would undertake the work, and immediately placed its engineers on the job of organizing production.

On April 2, 1940, the British war supply board withdrew the requisition. No reason is given in our files, but it was understood that the drawings we then had were to be replaced with a later development in the line of tanks. In fact, I was told that verbally at at the time, namely, that other plans and specifications would be along, and that Britain preferred the production of tanks in Canada from a later design.

Since then the department has received no further information. Concurrently with that order, it was the intention of the master of ordnance to develop supplementary production for Canada. Wherever we can, we have attempted to combine British production and Canadian production in whatever of the major munitions of war are undertaken here. Very frequently we share the capital expenditures necessary to provide equipment, and in general we try to coordinate our efforts so that our types of production may follow parallel lines.

That was the policy on tanks, and we have been pressing for a reopening of that subject. I think it would be unwise to pass on to hon. members the reasons given me as to why a further inquiry has not been received from Great Britain.

In the matter of aeroplanes the Department of Munitions and Supply has had two problems: first, to produce the aeroplanes that have been regarded by the technical experts of the government as proper defence equipment for our coasts and, second, we have also had the problem of arranging a supply of aeroplanes for the British empire training programme. We had those two problems well in hand until quite recently. We had all the components for our defence aeroplanes purchased, and we had production going in this country. The same was true of the air training planes. We had certain production in Canada, and certain production arranged for in Great Britain and the United States. The events of the last few days have disorganized that considerably. As I said a few minutes ago, we are bending every effort to reorganize that programme so that it will function with the new sequence of events. I think I can say we have made a great deal of progress in reorganizing our plans, and that at the moment we have the situation fairly well in hand.

In addition to the Canadian requirements of the types I have mentioned, Great Britain herself has organized certain sources of supply of aeroplanes in Canada. About a year or more prior to the war a contract had been arranged with Associated Aircraft, which was a partnership of some six Canadian aeroplane

firms, to produce aeroplanes for shipment to Great Britain. Another source of production was arranged at a plant at Fort William, for direct shipment to Great Britain. In the latter case, Canada placed a supplementary order of the same planes for her defence forces.

The production for Great Britain is of course going on, because the aeroplanes are being shipped, less engines—the engines to be supplied in Great Britain. Our difficulty has arisen on account of the fact that we have been advised that Great Britain, temporarily at least, will not be able to supply certain engines.

Mr. HOMUTH: Are we to understand, then, from the minister's statement, that no tanks have as yet been ordered?

Mr. HOWE: That is correct.

Mr. MacNICOL: Cannot the government order from the United States?

Mr. HOWE: Is the hon. member asking if we have ordered from the United States?

Mr. MacNICOL: Will not the United States supply this government with tanks?

Mr. HOWE: That inquiry is in hand, through the British purchasing board and the Canadian Department of Munitions and Supply. Certain investigations are being made to that end.

Mr. QUELCH: I may have misunderstood the minister who has just spoken, but in reply to the hon. member for Vancouver South (Mr. Green) I understood him to say the reason why we were giving orders to larger factories rather than smaller ones was that the former were more efficient. Surely at this stage we should be utilizing the services of every factory in the dominion, large and small, and all the shops. It should not be a question of which factory is more efficient. If a smaller factory is not properly equipped, it could be remodeled to produce to the maximum. The Prime Minister (Mr. Mackenzie King) assured the house that our production must be accelerated to the limit—indeed, without limit. I would ask the minister this question: Does he consider that we are at the present time increasing our production of the required needs to the maximum rate possible? If not, why not?

Mr. HOWE: Speaking for the Department of Munitions and Supply, we are filling all requisitions as expeditiously as we can. We have heard no complaints that we are not meeting the requirements of the services both here and in Britain to the extent that they are made known to us. We use as many factories as we can, to obtain the production that we require to obtain. It is hardly fair to say that we are favouring the larger shop against the smaller. If there is a well equipped small shop, I think it is busy on production; but there are large shops not properly equipped for our purpose, which are not busy, just as there are small shops not properly equipped for our purpose which are not busy. Ours is a job of supply. We are supplying the needs of the services as those needs are indicated to us, and we are doing it to the very best of our ability. As I say, the situation of the last week has greatly changed the needs, and we are expanding our production as rapidly as we can. It takes a little time to do that. Sources of supply are needed now that were not needed three weeks ago because we had sources of supply in England. We are, in a word, doing our utmost to meet the requirements of the services as rapidly and as efficiently as we can.

Mr. ROSS (Souris): The remarks of the Minister of Transport (Mr. Howe) have been most startling, and following them up I would ask the Minister of National Defence (Mr. Rogers) this question: Is it a fact that we have in the second division militia regiments transformed into a tank corps which to date have never seen a tank for purposes of training in this country?

Mr. ROGERS: Owing to the small number of light tanks available, it was not considered possible for maintenance reasons to distribute these tanks among the mobilized and unmobilized mechanized cavalry and tank units in Canada. It was therefore decided to retain these tanks at the Canadian armoured fighting vehicles school at Camp Borden, bringing in as many personnel as possible from the mobilized mechanized cavalry and tank units to Camp Borden for training, and it was proposed that certain tanks would be allotted to these units for all purposes when they were concentrated at Camp Borden.

Mr. BRUCE: I am afraid that the people of Canada will be very much disturbed when they hear the statement made to-night by the Minister of Transport that no tanks are being made in Canada to-day. I wonder why the tank units are being trained in this country if there are no tanks for them to use after they have finished their training. We have a tank unit in the city of Oshawa, and I understand that it is being trained on a rope.

Mr. ROGERS: If my hon. friend will permit me, there are certain tanks available for training purposes. They are localized at Camp Borden.

Mr. ROWE: How many?

Mr. BRUCE: There are none in the city of Oshawa, I believe. Yet we have been told that in the city of Hamilton there are two factories able to produce tanks in a very large way.

Mr. HOWE: I am looking for information. Might I ask who told my hon. friend that?

Mr. HANSON (York-Sunbury): It does not make any difference who told him.

Mr. HOWE: He said he was told.

Mr. HANSON (York-Sunbury): I do not think the minister has the right to cross-examine the hon. member.

Mr. POULIOT: Perhaps we can find then where the leaks come from.

Mr. BRUCE: If the Minister of Transport will read the proceedings of the senate of a few days ago, he will find that a member of that chamber stated that there were two factories in Hamilton, one of which could produce 250 tanks a month.

Mr. HOWE: I will give him a contract if he can do it.

Mr. BRUCE: I do not intend to proceed further with that at the moment.

I am sorry that the Minister of Justice (Mr. Lapointe) is not in his place because the matter to which I wish to refer concerns him. On two occasions since the opening of parliament I have asked for information as to what steps the Minister of Justice was taking to probe and check treasonable or what are now known as "fifth column" activities by various organizations in this country. The only reply the house has received is that the question is being referred to a committee; but so far as I know, no committee of this house has as yet been set up. Since I first asked for information, evidence has accumulated daily tending to show the profound and, indeed, immeasurable importance of the subject. In April we had already learned of how great a part treason had played in Hitler's successful seizure of southern Norway. We have since learned that the resistance of Holland and other countries was handicapped because they were gangrened with treason.

Early in the present war France woke up to the fact that the communist party within her borders, which had done so much to paralyze her preparations to meet the menace of war and invasion, was *ipso facto* also a pro-nazi organization. Probably the full story of all that treachery has done to create the horrible events which have occurred in northern France since mid-May has not yet been revealed. Subversive activities to strangle all powers of resistance within the nation have been

rampant in Britain and Ireland, and last week were made manifest. We may take it for granted that in Britain and Ireland measures to root out treason and espionage in their nests were not dictated by mere hysteria. It was realized that the danger from within was as serious as the danger from without.

What I ask this government and the Minister of Justice especially is, whether they are so blind in view of what has been revealed as to suppose that Canada is immune. Those of us who know anything at all about this country know the contrary. We also know that the more expeditiously Canada goes about the business of a more intensified war effort, which we were told by the ministers here during the past few days they intend to do, the greater the danger from within. It is not as though the machinery to promote treason and sabotage did not already exist. In my own city of Toronto, a whole score of organizations operating under different names but all aiming at the same objective have been at work for years. They have for the most part been affiliated with the communist party, and that is true also of all the larger centres in Canada.

Perhaps because of the peculiar audacity of the communist agitators working under cover, with orders from Moscow, we have paid too little attention to fascist and nazi activities in our midst. A fact which stares us in the face to-day is that ever since last August the communist, nazi and fascist elements in Canada have made common cause with each other. Their sole objective is to destroy the British empire by whatever means lie at their hands. We are living in a fool's paradise if we assume that Canada, the premier dominion, a dominion with enormous potentialities for assisting the allies to win the war, is to be excluded from this objective. We Canadians who are still privileged to sleep safely in our beds at night owe a debt to the Royal Canadian Mounted Police and to the other police organizations of this country that we have so far escaped serious incidents.

But in a crisis like the present the government may go too far in relying for security on ordinary police vigilance. Yesterday the hon. member for Peterborough West (Mr. Fraser) gave us an instance which should cause the Minister of Justice to reconsider his former decision to refer the matter to a committee before taking action. It seems incredible to me that a former German soldier, who is still a German national and was in receipt of a pension from the German government to the outbreak of the present war, should be on an unguarded lock, No. 23, of the Trent valley canal. On the Trent valley canal there are

key dams which, if blown up, would flood the power plants along the lower Trent. The hon. member for Lincoln (Mr. Lockhart) drew the attention of the house to the inadequacy of the protection of our great Welland ship canal and the power plants situated in the Niagara district. This is another place exposed to great risks owing to lack of realization by this government of the menace of the "fifth column" activities.

Let me also relate an episode which occurred in the northeastern suburbs of the city of Toronto on a recent evening. A young man crossing one of our ravines heard the sounds of falling wire, and on investigating found a man sixty feet in the air on a transmission tower busily cutting the high tension wires which carry electric power from the Ottawa valley to the great industries of Toronto. It was an isolated wooded spot, but the young man bravely effected an arrest by himself. When the prisoner was searched and identified, it was found that he carried a membership card in the communist party of Canada, and had been a recipient of relief for ten years. It was obvious that he was no ordinary vagabond, but a skilled mechanic equipped with the requisite tools to carry out very dangerous work. He was serving not Russia, but Germany, in an attempt to disorganize our war effort. It is a fact that in many centres of Canada the individuals who were in the past most active in shouting for the communist cause are now cheering every nazi success in Europe. They are probably hand-in-glove with nazi organizations which have been secretly at work in this country for two or three years.

The Minister of Justice informed the house this afternoon that papers which had been seized on the premises of the fascist party were being examined by the Quebec authorities, and that the attorney general of Quebec would take any necessary action. I am sorry that the Minister of Justice is not in his seat, because I should like to ask him if the attorney general of Quebec has the necessary powers under existing statutes to have the head of this organization arrested and placed in an internment camp. If he has not such authority, will the Minister of Justice take immediate steps to provide not only Quebec but Ontario with the necessary power?

A detailed survey of the activities of the so-called communist party in this dominion during the past twenty years was made in 1938, the year of Munich. At that time a singular change of front in the Canadian communist propaganda was noted—a denial of all connection with Moscow and a refusal to compare Russia with the communist state which they advocated for Canada. At that time the communist party, with its widely ramified chain of societies, became anti-British and anti-democratic rather than distinctly pro-Russian. In 1931 direct connection with the third international of Moscow had been proved up to the hilt in the trial of Tim Buck and other officials of the communist party of Canada. The change of attitude was therefore a remarkable development. There is nothing to show whether this policy of repudiation was sincere and actual, but it was abundantly clear that a large following of dupes, which had been built up on promises of a régime in which the proletariat should be supreme was to be turned into an instrument to oppose Great Britain when war should come. The machinery has been built up over a period of years, and is still functioning, but in a less open way. There is little doubt that the men who built up that subversive machine are, as far as lies in their power, servants of Hitler to-day. I am credibly informed that the local authorities of Toronto are actually unaware where the three most prominent of local communist politicians are to be found to-day. They are Tim Buck, Stewart Smith, and a Mr. Salzberg, all of whom have been active as municipal and provincial candidates in the past, and they are mysteriously absent from their accustomed haunts.

For years right-thinking people in many industrial centres have been worried over conspiratorial efforts to corrupt the children and young people of Canada as well as the working classes with the virus of hatred against our Christian traditions and ideals of democratic government. Let me give a partial list of the organizations which have been formed at various times to accomplish this end:

The Young Communist League.
The National Children's Council.
The Student League of Canada.
The Workers' Theatre Movement.
Various organizations of the unemployed.
The Canada-Labour Defence League.
The Workers Unity League.
The Canadian League Against War and Fascism.
The Friends of the Soviet Union.
The Independent Mutual Federation.
The Student League for Social Reconstruction.

And in addition, various organizations of foreign immigrants in which social entertainment has been a disguise for anti-British or, as they prefer to call it, anti-imperialist propaganda.

There have also been efforts, not so successful, to spread anti-British poison in ex-servicemen's organizations. Interlocking directorates figure in the records of many of

these organizations. To prepare their numbers for class warfare rather than for the redistribution of this world's goods was certainly the aim of all these organizations. For instance, the manifesto of the Student League of Canada issued in November, 1932, stated:

> The Student League of Canada presents a programme of active participation in the class struggle based upon a scientific analysis of the course of social development.
>
> It therefore proposed to combat uncompromisingly the leadership and policies of those organizations which, consciously or unconsciously, delude the student by fostering reformist hopes and democratic illusions.

The assault on democracy, later so familiar a tenet of nazism and fascism, was already being promulgated in Canada at the time when Hitler rose to power. Even more outspoken was the speech delivered on March 2, 1935, by Tom Ewen, national secretary of the Workers Unity League, at a meeting under the auspices of the Student Peace Movement. On this occasion not peace but civil war was preached. Mr. Ewen said:

> In order to root out the causes of war, we must do away with the capitalist system. Communists are not pacifists, and if war breaks out we will turn the imperialist war into the civil war in order to abolish the capitalist system and thus remove war causes forever.

It would be tedious to recite the many utterances, all aimed at overturning our governmental system by any measures available, that have been heard in the gatherings of the various organizations I have named, and I have no intention of doing so. They were constantly heard in Canada during the years when Hitler was preparing to attack democratic civilization and paving the way to an understanding with Russia. I have quoted two different utterances to show how well the ground had been prepared in the way of subversive sentiment in this country prior to the outbreak of war. Canadian youth were taught to accept as an ally any enemy who sought to destroy the British commonwealth of nations. Hitler, let me again point out, found ready to his hand in these organizations a vastly ramified subversive machine to supplement the work of his own underground agencies in Canada. The nucleus of that machine still exists, and although during the past eight months it has been driven underground, it is not the less dangerous on that account. Therefore, in all seriousness, I urge this government to take all steps within its power to check subversive activities, which common sense must tell are not the less alive because they are not so apparent as they were to the naked eye. I am certain the Minister of Justice will have the earnest support of every patriotic member of this house in any measure he may devise to meet this situation.

We were encouraged to hear from the Prime Minister yesterday that the crisis with which we are now faced has at last moved the government to action. But what we have every reason to complain about, is something I was going to call complacency, a term to which the government is so sensitive. I will substitute another word. Let me say that what we complain about is the "indifference" that has been so painfully manifest, even during the last nine months since the war broke out, as to Canada's war effort. During this time the government have wasted two months in holding an unnecessary election and nearly two months more in their endeavour to recover from their partisan labours—four months in all when the total energy of every member of the cabinet should have been directed to speeding up Canada's preparation for the spring offensive which the Prime Minister had stated he expected. If any word was ever justified as descriptive of the present government it is the word "indifference." May I congratulate the Minister of National Defence (Mr. Rogers) upon the announcement yesterday of the formation of a fourth division. I was disappointed, however, when it was followed by the statement that at present he would recruit only 7,000 men for the formation of a rifle battalion for this division.

Mr. ROGERS: I believe I said that we would recruit all the rifle regiments of a fourth division, which would be nine rifle regiments.

Mr. BRUCE: How many—9,000?

Mr. ROGERS: Pretty close to 9,000.

Mr. BRUCE: Well, I will change my figure. I thank the minister for the correction. He will recruit only 9,000 for the formation of rifle battalions for this division. It is a little better than I thought, but may I urge upon him that complete plans be immediately formulated for the development not of four divisions but of six divisions in Canada.

These are not ordinary times. Canada and the British empire are facing the greatest crisis in our history, and surely there can be no two opinions as to the urgent and imperative necessity of bringing together in one cooperative government the best brains that are to be found in the country, whether inside or outside this house, for the purpose of enabling Canada to put forth its maximum effort with the sole object in view of helping to win this war. Until this is brought about, nothing else matters. Is it right, in the face of such danger as confronts us, to have battling for political position going on, when our very parliamentary institutions are endangered?

I come now to a part of my remarks which is going to be very distasteful to me.

I have been a friend of the Prime Minister of Canada for many years and have admired his many excellent qualities. He was prepared, as few in this country have ever been, by long years of education and training in statecraft for public life. He is a man of high character, a man of peace. I wonder whether these qualities, which are so admirable in times of peace, are not the very qualities which disqualify him now in time of war.

Some hon. MEMBERS: No, no.

An hon. MEMBER: Shame.

Mr. BRUCE: The Prime Minister's Asquithian attitude of "wait and see", or in other words, let public opinion become crystallized and then follow it, may have been good statecraft for a virile people in ordinary peace times, but it is not the attitude for war time.

Mr. GRANT: He was elected in war time.

Mr. BRUCE: It is now absolutely imperative that we have a man of action who will lead public opinion instead of following it. This man must have a strong and forceful character, must be one who will not be influenced by personal or private considerations, and will be ready to brush aside red tape and all other obstacles in the way of quick and decisive action. Last evening we had an illustration of party loyalty on the part of the Minister of Finance which was most commendable. When I listened to him I could not help the reflection that history may repeat itself and that what has happened in the mother country might with advantage happen here. The Minister of Finance enjoys the respect and confidence of both sides of this house, as well as that of the people of Canada generally. With his splendid war record, his undoubted ability in finance and law, his well known driving force and character, may I venture to suggest that he is the one man in the Prime Minister's cabinet—

Mr. MARTIN: You are trying to undermine him.

Mr. BRUCE: —qualified and equipped to lead a war government. The Prime Minister of the United Kingdom was changed in spite of the fact that Mr. Chamberlain had very strong support in the House of Commons, 418 supporters as against the combined Liberal and Labour strength of 197, but he was forced by pressure of public opinion to hand over the seals of office to Mr. Churchill, a man of great energy and ability in whom the people had confidence. May I briefly recall to members of this committee what happened on that memorable occasion.

The CHAIRMAN: May I draw the attention of the hon. member to standing order 58, section 2, which provides that:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

Mr. CHURCH: The Prime Minister did the same thing.

The CHAIRMAN: The item under consideration is an appropriation. I do not believe that the speech of the hon. member is relevant.

Mr. POULIOT: I rise to a point of order in defence of the hon. gentleman.

The CHAIRMAN: The hon. gentleman may speak to the point of order already raised, but he cannot raise another one until this one is disposed of.

Mr. POULIOT: Then I will appeal from your ruling to the Chair. And I will put it in writing if I have not the right to be heard. My point is that this bill is for an appropriation. We do not know whether that appropriation will be spent by this government or by a government suggested by the hon. gentleman. Therefore the hon. member is perfectly in order in continuing his argument, and I also shall be in order when I answer him.

Mr. BRUCE: I thank the hon. member for Témiscouata for his remarks. He voiced what I had thought of saying. We are considering the appropriation of a very large sum of money to be expended by this government as at present constituted. Before I am willing to give my vote as to the expenditure of that money, I wish to raise my voice as I am doing this evening in regard to the matter.

The CHAIRMAN: I am entirely in the hands of the committee as to the ruling I have just made. This ruling is not debatable. An appeal can be taken to Mr. Speaker. But I was simply drawing the attention of the committee to the rule. If it is the desire of the committee that the hon. member should have leave to carry on, I am in the hands of the committee. But my own judgment is that he is not within the provisions of standing order 58, section 2.

Mr. POULIOT: Speaking to the point of order—

The CHAIRMAN: This matter is not debatable.

Mr. POULIOT: The Chairman has no right to decide a point of order.

The CHAIRMAN: Order, please. I have just stated that my decision is not debatable. You can appeal to the Chair if you want to,

but I was saying that I am in the hands of the committee to determine whether the hon. gentleman should have leave to carry on as he was proceeding to do. In my opinion he is not within the rule.

Mr. CHURCH: I rise to a point of order. I would ask that the committee rise and ask for the ruling of the chair.

The CHAIRMAN: The question is not debatable. Is it the pleasure of the committee that the hon. gentleman should have leave to continue?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Yes.

Mr. CRERAR: May I say a word at this point? I think there is a basis for the point the Chairman has raised. It occurred to me that the speech the hon. member was making could more properly have been made on second reading of the bill than in committee. But I would make this observation, that a good deal of latitude has been taken in the discussion. I would be the last to wish to curtail anything that the hon. member wishes to say. I would make the suggestion that he be allowed to continue but also that he endeavour, if possible, to keep closer to the section of the bill that is under consideration.

Mr. BRUCE: Mr. Chairman, in spite of the very kind remarks of the Minister of Mines and Resources (Mr. Crerar), I accept the ruling of the chair and shall discontinue my speech at this moment.

An hon. MEMBER: You cannot take it.

Mr. POULIOT: Nobody can speak until the matter has been referred to His Honour the Speaker.

Mr. HANSON (York-Sunbury): I do not know that I am in order, but I think that it would be a pity if the Chairman's ruling were allowed to stand and the hon. member for Parkdale forced to discontinue his speech. I am quite familiar with the rule referred to, but we are debating in committee of the whole section 2 of Bill No. 18, and under that it is wide open to any hon. member to discuss the conduct of the war or the fitness of the men conducting the war. With the greatest respect for the chair I suggest, sir, that you withdraw your ruling.

The CHAIRMAN: I cannot withdraw the ruling. I have pointed out to the hon. member that, in my opinion, he was transgressing the rule which I have cited. I am in the hands of the committee as to whether the hon. member should have leave to carry on. The affirmative would be equivalent to a suspension of the rule in favour of the hon. member. If the committee so desires, it can suspend the rule by unanimous consent.

[The Chairman.]

Mr. HOMUTH: Does the government dictate the rules of the house, or are the rules in the book?

The CHAIRMAN: Is it the unanimous consent of the committee that the hon. member should have leave to carry on?

Some hon. MEMBERS: Go ahead.

Mr. BRUCE: I am a new member of this house. I come from a part of the province in which free speech is welcomed, and I have always been able to say what I think. No one has ever interfered with me in making a speech. I am not going to break a rule of this house after having been here only two weeks; therefore I accept the Chairman's ruling and shall not continue my remarks.

The CHAIRMAN: I should like to point out to the hon. gentleman that freedom of speech is not involved in this point. We have rules governing our debates; those rules must be obeyed. But in the present case, the hon. gentleman, having the unanimous consent of the committee to continue, he can do so without breaking the rule.

Mr. CHAMBERS: If the hon. member does not wish to continue, I should like to say a few words. It is a tradition of this house that a new member, when rising to make his maiden speech, shall introduce his remarks by a description of the beauties and natural wealth of that portion of Canada which has elected him. I shall take the responsibility, if I may, of breaking this tradition by saying immediately that at this moment in the world's history all that British Columbia represents to me is a collection of human beings whose liberty and happiness, and, indeed, whose lives, depend upon the events of the next few weeks.

Another tradition is that a new member's whole career may depend upon careful avoidance, in his early days in this house, of anything which savours of a lecture to an assembly of men far more experienced than he may be. At some risk to my future I must set aside this tradition also; for nothing could be of less importance to me at this moment than the question of my own political future. If I have any right to stand here to-day, it is as one of the 245 men and women in whom eleven million men and women have placed their trust to bring to the affairs of the country wise guidance while civilization is on the brink of disaster.

The verdict to which we must subject ourselves is that of history. I stand with the rest of this house on trial before all the generations which will succeed us. If at this time we let them down, we must go down in history as those who failed in their duty. For this reason I venture to say to you, sir, that the time has long passed for members of this house to remember the ancient divisions which have separated them, the question of what language they learned at their mothers' knees or the accident of their place of birth, and to remember only that to-day they stand facing a nation in peril of destruction and not likely to be tolerant of such human weaknesses.

Since the beginning of this, my first session in this house, I have heard no small amount of discussion as to where the blame must lie for the fact that this country faces the greatest of all crises in its history not fully prepared. The time has come, Mr. Chairman—and I say this with all respect to the veteran members of this house—to put an end to this form of argument. It will be of no concern to the people of this country to know who are the guilty. It will be of no concern to them to ascertain whether the responsibility lies here or elsewhere. It will be of no concern to anyone to be able to say that he was wiser than another. All that will concern the people of Canada will be whether from this moment forward the service of the state is conducted with all the vigour and efficiency of which the members of this parliament and the servants of the crown are capable. It will not even concern the people of this country whether the decisions which so far have been taken were right or wrong. It will concern them only to know that the decisions we make from now on are right.

If I may be permitted to say one more word, it is that I feel deeply that there lies upon me heavy blame for my failure up to this moment to exhibit a full appreciation of my duty to serve the nation with the greatest courage and skill I can put forward. There may be others in all parts of this house who have the same conviction. It is not for me to judge the others. It is my duty to say to you, sir, that I am prepared to accept my full share of any blame which may attach for past failures, and that I am prepared to accept any amount of criticism, be it fair or unfair, provided only that the criticism is not made at the expense of the rapid and efficient functioning of the machinery of the state.

I should like to record the fact that what moves me to say these things is my realization of the verdict which the people of Canada of to-day, and particularly those of to-morrow, will pass. I hope, sir, that this will be my only formal contribution to the debates of this house this session. I propose to support the measure to which I am speaking at the moment, with full appreciation of the fact that the steps contemplated are not perhaps fully sufficient for the needs of the times and that they must be executed with something slightly less than perfection. All I can hope is that every member of the house will feel in his inmost soul the humility which I feel as to our inability to give the nation completely the service which it so sorely needs. I believe that only if this spirit imbues us all and directs our every word and action, shall we rise to meet the problems which confront us and serve, as we should, in the present struggle to save the world from destruction.

Mr. ADAMSON: Unfortunately I was in the lobby this afternoon when the Minister of National Defence (Mr. Rogers) referred to some questions I asked last night. The minister said it was not in the public interest to disclose the information I requested. I appreciate the position of the minister; but in view of the very grave unrest in regard to the Bren gun production, I wonder whether he would give to the leader of the opposition, to myself or to some other member the information in his possession so that we may be able to allay the fears and the very great dissatisfaction of the Canadian people in general, and those of my own riding in particular, with regard to the present situation. I quite understand that the matter of the production of munitions may be considered confidential, but it would help if we could say that the information given us by the government was satisfactory. Perhaps the members of the opposition who served in the last war are more anxious to be able to do that than to do anything else. If the minister could give my leader in confidence any information which would permit us to say that things were not as bad as rumour has them, I think it would be a great contribution to the peace of mind of the Canadian people.

I should now like to say a word with regard to Colonel Carter, Mr. Everett Bristol and Colonel Worthington. I believe that before war broke out, Colonel Carter was the foremost British expert on armoured fighting vehicles, tanks and mechanized warfare generally. He came out here purely unofficially and in an advisory capacity, I believe. And he with Colonel Worthington, who is a brilliant tank officer, discussed the possibility of producing tanks in Canada. Among his findings were these—and I have not his exact words, because he wrote a number of articles on tanks or mechanized warfare. He said—

Mr. MARTIN: Who wrote it?

Mr. ADAMSON: Colonel Carter. He said that we in Canada had some of the finest possible material in the empire for tank troops, and he hoped that we would take advantage of that not only because we have this wonderful material in our northern logger, in our men who drive tank trains and other heavy transports, but because we have in Canada those wonderful potential assets which should be developed. He brought the matter up in the public press, and to the attention of Colonel Worthington, who entirely concurred in the argument. It was also called to the attention of General McNaughton. That is the situation with regard to Colonel Carter.

The subsequent situation was this, either that the government would not or could not act quickly enough. In any event a public charity was formed to train the troops in Camp Borden under Colonel Worthington, and Mr. Everett Bristol was in some way responsible for the fund being organized. I might say that some of the most responsible people in the city of Toronto were connected with that fund. Colonel Carter mentioned in his series of reports that we had a very great asset not only in our man-power but in our industry in Canada, and he suggested that we could produce armoured fighting vehicles in Canada in great numbers.

I understand this was not an official representation of the British government, but certainly it was a representation from Mr. Everett Bristol to the dominion government. In my opinion the unfortunate part of it is that it was an opportunity which was missed.

I am going to ask the Minister of Munitions and Supply one or two questions about aeroplane production. I have observed that last week at Malton—on the 21st of the month—there were over $2,000,000 worth of aeroplanes stored in the hangars of the Associated Aircraft Corporation. These included nine bombers valued at $150,000 each. I believe they were Douglas and Lockheed bombers. Then there were over eighty *ab initio,* that is initial Fleet or deHavilland training planes in the hangars, waiting for acceptance by the government. They have been there for a considerable period of time—some of them for months. The government in my opinion should explain why those aeroplanes were kept in the hangars on their noses, turned up in storage at Malton for all that time. The production of aeroplanes in Canada is a matter which faces us now in a most realistic manner. I would suggest to the Minister of Munitions and Supply and the Minister of National Defence one thing, and that is that we are an American nation.

[Mr. Martin.]

I was educated in England as a mechanical engineer, and I understand the difficulties of trying to produce aeroplanes in Canada to English specifications. We have our automotive industry, and all our shop practice is based on American standards. The American Society of Automotive Engineers (S.A.E.) and the American Society for Testing Materials (A.S.T.M.) lay down our standards for us. It is not helpful for us to attempt to produce aeroplanes on an English standard. Nobody appreciates that more than I do, because I have studied in England and have worked in Canada. I would suggest that to-day our problem is that of production of aircraft. Nothing else matters. What is gone before is of comparatively little importance to-day, when the whole of civilization is falling about our ears. Let us get on with the job of producing these aircraft, using what standards we can and any methods we can, so that we can give the greatest assistance not to the empire, not to the allies, but to civilization itself. That is the thought I bring to the attention of the minister.

We in Canada are very short of machine tools and machine tool equipment. The machine tool industry is the one industry to-day on the north American continent that is overworked, because there is a tremendous scarcity of the product of that industry. If to-night the government would get in touch with the priority officer in Washington, who is known to me, I am quite satisfied that a sufficient number of machine tools would be released for the Canadian government to produce these jigs, dies and other things necessary to set up our aircraft industry or to begin the industry on a national American basis. We have to work with our co-partner on this continent.

I suggest to the Minister of National Defence that something should be done about this. In this instance, time is of the essence of the contract. I would not be taking up the time of the committee if I did not believe that some really helpful and concrete action could be taken along these lines.

Mr. ROGERS: I should like to thank my hon. friend for some of the suggestions he has made. May I say something to him regarding his statement concerning the production of Bren guns. He has referred to a grave unrest arising from certain rumours which he has heard regarding the Bren gun. May I say to him now, in the light of the statement I made this afternoon, that I know of no cause whatever for grave unrest with respect to the production of Bren guns. On the contrary, we anticipate that delivery will be well in advance of schedule. A certain modification

has to be made, in the same manner in which it is being made in England. This is being proceeded with as quickly as possible.

And even at the risk of hon. members charging me with a desire to contract discussions in the house, may I suggest that questions ought not to be put in this chamber in such a manner as would appear to give substance to idle rumours which, of themselves, cause unrest at a time when, above all else, this country needs steadiness. I do not think that we can overemphasize the importance of steadiness in this house. It is in a time of crisis that we realize just how thin is the crust that separates us from a feeling of alarm which sometimes borders on hysteria. I am thankful to say that throughout this country we can put our faith in the steadiness of our people at this time despite the distressing news that is coming to us day by day. But I suggest that this house should give a lead to the country in maintaining faith and confidence.

Mr. ADAMSON: May I say to the Minister of National Defence that it was merely in order that he should give such a lead that any words of mine have been spoken in this house; if the minister could assure us in this house to-night that the production of Bren guns, the production of artillery, the production of shells and the production of munitions of every kind was satisfactory, nobody would cheer more enthusiastically or be more delighted than I, and I believe every member on this side of the house feels as I do.

Mr. HOWE: May I reply to one other part of the last speaker's address. The government is well aware that in the production of planes it is simpler for Canadian industry to follow American methods. Nevertheless it must be kept in mind that Britain and Canada are in the war as partners, and the principal effort of Canada to date has been to reinforce the effort of Britain in Great Britain and in France. That has led us to cooperate with Britain in building the type of plane that Britain is using. The factor of interchangeability is sometimes of tremendous importance in war equipment, and the fact that these planes go into aerodromes in the battle area where suitable repair parts are immediately available, is important. However, we are working on American standards where we can. We find United States aeroplanes are simpler to build, and we can get better support for our industry in the United States.

May I say to my hon. friend that we have a representative of the Canadian government at Washington who is charged with looking after priority in the matter of machine tools. We have, however, a satisfactory production of machine tools in Canada, and it is growing steadily; most of our factories are tooled with machine tools made in Canada. I just wish to point out that we have not overlooked the American sources of supply or the fact that American standards are simpler for us to work to. Nevertheless we have followed the British plane production, for the reason that we thought by so doing we could in this particular situation render more valuable service.

I should like to say a word about the suggestion that two factories in Hamilton can turn out 200 or 250 tanks a month. I doubt if many people understand the problems involved in building a tank. There is no industry in Canada that could of itself build a tank in anything like six months. The production of tanks even in a great country with the reserves of the United States is amazingly small, as statements from United States army engineers, made public, will indicate. I may say at once that the particular tank we were looking at was plated with armour plate four and a quarter inches thick of a particular type of resistant steel made in only one or two places in the British empire, and there are only one or two sources of supply in the United States. The type of engine is of a larger size than has ever been produced in Canada. Every country has had tremendous difficulties in the engineering of tanks, and the problem of building tanks is one that will challenge the whole industry of Canada, even if we had certain assistance from other countries that is not presently available. So when a man stands up and makes reckless statements about two firms in Hamilton that can build tanks with great speed, I think it is time that the facts were made known to the house and to the people of Canada, in the hope that statements of that kind will not recklessly be made.

Mr. HANSON (York-Sunbury): Is it not true, Mr. Chairman, that the Canadian Pacific Railway were quite willing to make tanks at the Angus shops, and is it not true that for six weeks they have been waiting for instructions to proceed, but have not proceeded on account of the circumstances mentioned by the minister this afternoon, which I do not doubt is the case? Is it not also true that the National Steel Car of Hamilton are prepared to undertake the construction of tanks?

Mr. HOWE: To the best of my knowledge and belief the latter part of that statement is not true. The Canadian Pacific Railway were quite willing to undertake the work, knowing they would have to import certain parts of the tank, the engine, armour plate and certain other parts. There were certain

parts which could be made by the Canadian Pacific Railway shops, and I suppose no plant in Canada is better equipped to manufacture them than the Angus shops, and probably Canadian Locomotive and Kingston Locomotive shops come next. But to suggest that a tank may be completely built in a car building plant is going beyond anything that makes sense.

Mr. MacKINNON (Kootenay East): Mr. Chairman, there is in session at the present time in the city of Fernie, British Columbia, the associated boards of trade of eastern British Columbia, and I received a telegram from the secretary of the association this morning enclosing a resolution passed at yesterday's session which I should like to read to the committee. It is as follows:

Whereas it has been held desirable by our dominion government that tourist traffic into Canada be encouraged to the utmost, and

Whereas such traffic unregulated would permit the unobserved entry of spies, saboteurs and other undesirable agents, and

Whereas there are in Canada numerous strategic points and key industries vital to the well-being of our communities, the economic life of the nation, the empire and to the uccessful conduct of the war, and

Whereas facilities for the control of undentified visitors and the guarding of such strategic points and industries are at present insufficient and ineffective.

Therefore be it resolved:

(1) That the dominion and provincial governments be asked forthwith to inaugurate a system of closed areas surrounding such strategic points and vital industries within which entry may be had only by authorized persons for specified and authorized purposes.

(2) That such governments be advised that a serious and dangerous condition exists at border points and that they be urged forthwith to organize an effective home guard for protection of such strategic points and vital industries that sabotage may not be possible.

(3) That the dominion government be asked to create a fully efficient control of the entry of persons into Canada by the addition of inspecting personnel in sufficient numbers.

J. R. Hunter,
Secretary,
Associated Boards of Trade of
Eastern British Columbia.

Section agreed to.

On section 5—Orders and regulations.

Mr. POTTIER: Before section 5 carries, would the minister consider adding the word "ship" to paragraph (c)? There is in this measure power to take over practically everything except ships; that is, to "acquire lands, buildings, equipment, stores, materials and supplies." Suppose we wanted ships to add to our merchant marine, not naval ships, I know of nothing in the bill which gives us that power; yet it might well be that in carrying on our war effort or in looking after the transportation of commodities we would need to spend some of this money to charter or acquire ships. I suggest that the minister consider adding the word "ships" before the word "equipment." I think it would clarify section 2 in that regard.

Mr. RALSTON: My hon. friend is referring to paragraph (d) of section 5?

Mr. POTTIER: Yes.

Mr. RALSTON: With due respect to him I do not think that this is the place for the insertion of the word "ships," having in mind what his object is. This is for the purpose of enabling the governor in council to make regulations giving him unquestioned control over equipment. It was felt that there might be a risk of one department getting a monopoly of certain kinds of equipment. The idea was that the governor in council might distribute it among the departments. It really has nothing to do with the objects of the bill, which are, as my hon. friend knows, contained in section 2, namely the provision of money for "the conduct of naval, military and air operations"; "the security, defence, peace, order and welfare of Canada"; "promoting the continuance of trade, industry and business communications", and "the carrying out of any measure deemed necessary or advisable by the governor in council in consequence of the existence of a state of war." I assure my hon. friend that the utilization, control, acquisition and building of ships is fully covered by the provisions of section 2. If he will look at the explanatory notes opposite page 2 he will find, under "naval services," "acquisition, construction and repairs of ships."

Mr. STIRLING: Has the minister discovered any good reason for the inclusion of paragraph (b)?

Mr. RALSTON: Not a very good reason, but at least a reason. As a matter of fact, I unintentionally misled the committee last night when I told them that this clause was in the 1915 act. It was not. The clause was drawn by one of the departmental officials and then was inserted with the idea that possibly there might be auxiliary units not within the scope of the military, the naval or the aeronautics act, the pay and allowances for which might not be provided for. That is why the paragraph was put in. As my hon. friend knows, the Militia Act provides for pay and allowances for the militia, and the Naval Services Act for the navy, and there

will be a new act for the air force. But it was thought that there might be auxiliary units of some kind which would not be otherwise covered.

Mr. STIRLING: The minister is not apprehensive that having it in two statutes might induce a sense of confusion?

Mr. RALSTON: No, I think not. It is only an authorization to the governor in council to provide pay and allowances, and it seems to me that being there twice would merely provide double authority.

Mr. BROOKS: I am glad to see that the Minister of National Defence for Air has come into the chamber. There was a question I wished to ask with reference to Canadian airmen who are with the Royal Air Force. I am sure that we all listened with much pleasure to the statement of the Minister of National Defence (Mr. Rogers) when he told the other day of visiting these men in England, and of how the Canadians who had gone overseas in the last two years had been collected in a squadron under the Royal Air Force. These men, as we all know, found it impossible to get their training in Canada. Coming from all parts of Canada, they paid their way across the ocean and were trained by the British air force. I wish to know whether it is the intention of the minister's department to take over from the Royal Air Force the Canadian airmen who are at present in that air force; or, if these men are not taken over, whether they will receive the same pay and allowances as Canadian airmen under the Royal Canadian Air Force, or will they continue to receive the same rate of pay as the Royal Air Force? I thought it possible that these questions might appropriately come under paragraph (b) of section 5 of this bill.

Mr. POWER: I am quite sure that, in view of the fact that these men are members of the Royal Air Force, they will receive the pay of the Royal Air Force, not of the Royal Canadian Air Force.

Mr. BROOKS: Is it the intention of the Royal Canadian Air Force to have these men join that force later on? They are all Canadians, and the only reason why they are with the Royal Air Force at the present time is that they could not get opportunities to train here in Canada and had to go to England at their own expense to train. I understand that the pay in the Royal Air Force is not as high as in the Royal Canadian Air Force. I think these men should, if they wish, be given an opportunity to belong to the Royal Canadian Air Force.

Mr. POWER: I cannot see any particular reason why they would not be transferred to the Royal Canadian Air Force if they so wished. I do not think that matter has ever been considered. They are members of the Royal Air Force, and we have never seriously considered taking them away and incorporating them in the Royal Canadian Air Force. However, I will make inquiries and give the matter consideration.

Mr. RALSTON: The leader of the opposition asked me before six o'clock for some further particulars with regard to expenditures. I have had the officials of the comptroller of the treasury make the collocation of expenditures, and hon. members can follow these expenditures by looking at the explanatory notes opposite pages 2 and 3 of the bill. What has been done is to collect, under headings similar to those shown in the explanatory notes opposite page 3, under "general administration," items of expenditure from September 1, 1939, to March 31, 1940:

Civilian personnel—salaries and wages	$456,248 99
Pay and allowances	95,358 01
Transportation	40,731 61
Operating expenses of properties	4,341 62
Construction and repairs	116,296 02
Stores, equipment and supplies	110,285 60
Sundries	14,662 99
Total	$837,924 84

That is the total for that combination of items.

That is under general administration. If hon. members will turn back to the explanatory notes opposite page 2, and begin at the top with "militia services," I can give them the expenditures under the items which are set out there. The expenditures are from September 1, 1939, to the end of the fiscal year, as follows:

Expenditure September 1, 1939, to the end of the fiscal year from war appropriation, militia services:

Civilian personnel—salaries and wages	$ 918,011 42
Pay and allowances C.A.S.F. and other personnel charges	37,090,498 24
Non-permanent active militia	856,579 44
Construction, repairs and operating expenses of military buildings, works and lands	8,644,840 54
Transportation and food supplies	5,374,341 15
Stores and equipment — unit equipment, personal equipment and ammunition	14,439,883 34
Sundries	443,413 02
	$67,767,567 10

Note.—Expenditures for Royal Military College and Northwest Territories radio service not segregated as expenditures merged in above headings.

Expenditure September 1, 1939, to the end of the fiscal year from war appropriation, naval service:

Civilian personnel—salaries and wages	$ 131,593 81
Pay and allowances R.C.N. and other personnel charges	4,108,043 38
Acquisition construction and repairs of ships	1,696,860 17
Construction, repairs and operating expenses of naval buildings, works and lands	896,644 88
Transportation	219,479 73
Naval stores, armament equipment and food supplies	4,273,999 39
Sundries	146,465 69
	$11,473,087 05

Mr. STIRLING: Does ammunition come into that?

Mr. RALSTON: I cannot tell. I should think it would be in naval stores.

Expenditure September 1, 1939, to end of the fiscal year from war appropriation air services, including air training plan:

Civilian personnel—salaries and wages	$ 304,009 80
Pay and allowances R.C.A.F. and attached personnel	6,633,036 52
Transportation	491,958 48
Operating expenses of properties	442,524 31
Construction of R.C.A.F. and B.C. air training plan buildings, works and lands	5,073,378 64
Stores, equipment and food supplies	19,163,947 77
Sundries	432,493 91
	$32,541,349 43

There is one other set of figures here, but I have not the break-down that my hon. friend asked for. I refer to the commitments. What I have given the committee so far is the actual money paid out. With respect to commitments, I can give them only broken down into the three services. The first item under this statement, which is a summary of commitments recorded during the period from September 1, 1939, to March 31, 1940, is military services, $73,247,674.

Mr. HOMUTH: Is that inclusive of the figure the minister gave a little while ago?

Mr. RALSTON: It is partly included, because that item is only stores, material and construction and does not include pay and allowances which I give further down. I give the statement now:

Summary of commitments recorded during period, September 1, 1939, to March 31, 1940, against war appropriation for stores, material and construction.

Military services	$ 73,247,674
Internment operations	149,850
Naval services	71,387,551
Air services	60,776,960
B.C. air training plan	61,525,214
	$267,087,249

Actual expenditures made to March 31 for pay and allowances, travel, office expenses, etc.

Military	$ 45,296,616
Internment	77,260
Naval	4,682,180
Air	7,519,810
Air training	984,762
Administrative	502,306
Censoring	98,765
	$ 59,161,699

Total expenditures and commitments, September 1, 1939, to March 31, 1940	$326,248,948

This does not include commitments which may have been entered into by the Canadian military authorities overseas for stores and equipment, as these figures are not available.

The total actual expenditures made from September 1, 1939, to close of fiscal year, March 31, 1940, for national defence war services was	$112,469,000
Deducting this from the total of expenditures and commitments to March 31	326,248,948
Leaves unliquidated commitments as of that date of	$213,779,948

Mr. STIRLING: Making a very rough deduction, taking the $326,000,000 from the $700,000,000 under this bill, we have approximately $400,000,000. Is the minister going to be able to give us any break-down of that, any explanation as to how it will be used?

Mr. RALSTON: It is a little difficult for one to explain it clearly. This represents $326,000,000 in commitments made to March 31. For the first year of the war we still have the months of May, June, July and August, or four months more. When our first programme was announced, I calculated that the expenditure would be something like $375,000,000 for the year; as a matter of fact, I said a million dollars a day. That estimate has been exceeded in a good many ways by additions which have been made from time to time. I mentioned one item the other day, increase in personnel of rifle battalions, $5,000,000 and so on. But there were additions to that, when one came to figure the fiscal year from March 31, 1940, to March 31, 1941. There had to be added to the $375,000,000 about $40,000,000 more on account of the air training plan and about $60,000,000 more on account of naval service. The naval service was something in the vicinity of $40,000,000, and we now estimate about $100,000,000. That brought it to a little over $500,000,000.

Then there were other increases, the largest being to send the second division overseas, amounting to about $43,000,000, and other increases that brought it to between $560,000,000 and $570,000,000. Add to that the cost

of the Canadian corps, something like $65,000,000, and the third division, another $38,000,000, and that brings it nearly to the $700,000,000 without any allowance for other departments. As I have said, those estimates for the cost of the different units depend on the theatre in which they serve and the amount of wastage there is. That is how, without my notes, I reconcile the amount of this bill with the amount of the expenditures and commitments up to date.

Mr. HANSON (York-Sunbury): I am greatly obliged to the minister for the trouble he has taken in giving this break-down, but I am sorry it came so late because there will be no opportunity to make any study of the figures in time to base any questions on them with respect to this measure.

Mr. RALSTON: I had intended to hand them to my hon. friend immediately after eight o'clock; then something started up, and as hon. members know, a good deal of discussion has been going on this evening, which, it seemed to me, had not a great deal to do with the bill before us.

Mr. HANSON (York-Sunbury): I am not finding any fault.

Mr. ESLING: In connection with the recruiting of the third and subsequent divisions, may I ask the interest of the Minister of National Defence in connection with regulations covering pay and allowances? In my district there was no difficulty so far as the wife was concerned, but there was an obstacle causing much distress in connection with allowances for mothers. It seems that such allowances were not granted until a report was received by the department from one who was designated by the pay and allowances board as a special interviewer. The regulations were amended early in the year, I think after the first division had gone overseas. When I communicated with the department and asked who was the special interviewer in connection with the 109th battery, I was told that he was the commanding officer of that unit or any other officer not below the rank of captain. With that unit overseas, it will readily be seen what situation arises.

I suggested to the minister by letter and telegram that, to overcome delay and distress of mothers who were affected, the provincial government agents in that district, both of whom have served overseas and are men of experience and well able to pass upon the financial condition of the mothers, be used as interviewers. It seems that the department has been using the services of a social worker. Well, the mothers are entitled to the allowance, and the social welfare worker cannot very well cover a district some two hundred miles square, whereas the government agents are always available. I ask the minister, in view of the fact that this amendment came into effect after the 109th battery had gone overseas, if he will see that some arrangement is made so that the report, if required, can be made either by the government agent or, say, by the secretary of the local legion, either of whom can reach the mothers quickly.

Mr. RALSTON: I am very sorry; I thought my colleague the Minister of National Defence was sitting here listening to my hon. friend, and I confess I did not catch clearly the particular case to which the hon. member was referring. Will he take my assurance that I will refer it to the Minister of National Defence along with the other cases that have been mentioned?

Mr. HANSON (York-Sunbury): Before this section and the bill pass, I should like to refer to an order in council, a copy of which has come to my desk to-day, P.C. 2189, passed May 24, 1940. This vests in the Minister of Munitions and Supply the most extraordinary powers ever vested in any man in the history of this country. I shall not read the whole order, but I shall refer to one of the recitals and then to two or three portions of the enacting clauses. This is one of the recitals:

> And whereas the Minister of Munitions and Supply reports that it is a matter of urgency and of national importance that all possible steps be taken to ensure an adequate supply of certain materials and commodities for the production of munitions of war and supplies and that unless such supply is ensured immediately there is a serious risk that a sufficient quantity thereof will not be available at a later date or that the price for such quantity as can later be obtained will be substantially in excess of that now prevailing; that it is impracticable and not in the public interest to call for tenders; and that to disturb the market price as little as possible, purchases and sales should not be made through an ostensible government source;

And then by paragraph (a) the minister is authorized:

> (a) to acquire at such price or prices as he may from time to time decide, such quantities of materials or commodities, raw or manufactured, as he may consider necessary or expedient for the production of munitions of war and supplies, and for that purpose he be authorized to expend a total sum not exceeding $5,000,000.
>
> (d) to enter into agreements with such company or companies as the Minister of Munitions and Supply may cause to be incorporated whereby such company or companies will act as his agent or agents to acquire, dispose of, mortgage and generally deal in all or any such materials or commodities.

Then there is a further recital:

And whereas the Minister of Finance and the Minister of Munitions and Supply represent that, in order to carry out the terms of this order, it may be desirable to observe commercial financing practices associated with like purchases and sales by importers, commission agents and manufacturers;

Now therefore His Excellency the Administrator in council . . . is further pleased to order as follows:—

(a) The Minister of Munitions and Supply is hereby authorized to mortgage or hypothecate for such amount or amounts as he may from time to time consider desirable either directly or through the medium of such company or companies, all or any of the said materials or commodities.

(b) The Minister of Finance is hereby authorized to give such guarantees as he may deem necessary to any bank or banks against loss, by reason of the exercise of any of the powers conferred on the Minister of Munitions and Supply herein, provided that the total amount of such guarantees in effect at any one time shall not exceed two million dollars, the Minister of Finance to be entitled to rely upon the certificates of the Minister of Munitions and Supply, as to the name of any company (the account of which with any such bank the Minister of Finance is being asked to guarantee) and that such company is beneficially owned by His Majesty, through ownership by the Minister of Munitions and Supply, as trustee of all its issued shares save and except directors' qualifying shares.

I am sure the minister will agree that this is a most unusual departure in government operation and financing. I pondered this matter to-day, but have not had an opportunity of consulting with anybody on it. I should have liked an opportunity of talking to the minister about the matter, but I had only a minute with him. If it is not in the public interest that the reason for this order in council should be disclosed, and the minister will say so, I shall not pursue the matter further; but I do hope that if there is no real reason of that kind, we might have some explanation as to why the government is taking this power to create government-owned corporations, and some statement as to the rationality of the whole scheme. I do not want to embarrass the government or hamper its undertakings. I assume that the idea is to speed up war preparations, and of course that is all to the good.

Mr. RALSTON: All I desire to say is that, as the order in council indicates, there are certain commodities which it may be desirable to acquire, and that it is considered in the public interest that they be not acquired, ostensibly at least, for government purposes. Then we have the formation of a corporation, all the shares of which are owned by the Minister of Munitions and Supply, who in turn has to come to the Minister of Finance before he gets any guarantee. That is the safeguard, if hon. members consider it such: two ministers of the crown have to concur in the giving of the guarantee. One of them holds, in his official capacity, all the shares of the company as agent for the crown.

Mr. DOUGLAS (Weyburn): In paragraph (c) it is provided that the governor in council may prescribe administrative practices with respect to contracts. I wonder if the minister who is acting as Minister of Munitions and Supply would give us some outline of what the administrative practices are with reference to the letting of contracts. As I understood the minister the other evening, there are three classes of contracts; those let by general tender, those let to a select group of contractors, and those which it is found necessary to give to preferred contractors because of some special, secret design or something of the kind, where tenders cannot be called for. Could the minister give the committee any idea, in terms of total value, how the contracts let so far would be divided as among those three categories; and, in the case of the latter category, the basis used for determining the price to be paid? That is, are we still operating on the cost-plus basis with reference to the preferred contractors or, as the minister said the other evening, is there the general margin in that industry? How is that margin arrived at and on what basis?

Mr. HOWE: The method of placing a contract depends somewhat on the time at our disposal. Certain orders are earmarked as necessary for a certain date, as may be determined by the departure of a battalion or the sailing of a ship. In general, I may say that we exercise all the business precautions that time will permit. I should think that probably at least seventy per cent of all our purchases is made by open tender.

Mr. DOUGLAS (Weyburn): Is that in terms of value or in terms of the number of contracts?

Mr. HOWE: I should think in terms of value, at a very rough estimate. I should think perhaps ninety per cent of the transactions are by open tender. Then we may have a contract to let for something in which we know certain people are interested. For instance, we know that certain firms are interested in particular textiles, and when an invitation to tender is sent out, it goes to certain firms that are interested. That is all our list means to us, that there are certain people qualified to make certain goods, and they have indicated their interest in contracts of this kind.

That is the way we try to proceed; that is the way we like to proceed. Sometimes, however, the state of an industry is such that it is impossible to get a reasonably competitive tender. In other words, we need the entire capacity of that industry, and in that event there is not much chance of getting a tender. In that situation it is our policy to put in an auditor to determine the position of the firm before the order is taken and the position after the order is completed, and to establish a price which allows the cost of turning out the article plus a modest profit. I can say that five per cent is the usual profit for that sort of work. I think the textiles, the rubber goods and much of the mechanical transport have been priced on a five per cent margin.

Then there is the question of fortifications. The Department of National Defence have pointed out to us, very reasonably, that it is not in the public interest to send out forty or fifty sets of plans for coastal defence fortifications. They would very much prefer that only one contractor be called in. We have compromised with them, and they have agreed that three contractors shall be asked to tender, those three to be very carefully selected, reputable firms which will proceed with reasonable discretion in handling these secret plans.

In reading *Hansard,* I noticed that a reference was made to one of these contracts, and I think I know the particular contract to which reference was made. In that case we called in three of the largest firms doing that class of work and awarded the contract to the firm submitting the lowest tender. The work was in a rather remote section, and I understand that part of the job was sublet. The statement in *Hansard* says the entire job was sublet, but that is not at all permissible. We never allow a contractor to assign a contract in toto to another contractor, and we never deal with an agent. We always deal with firms that we believe will be able to do the work, and the contracts are given to firms that in fact do the work. It is not unusual, however, for a contractor to sublet a certain part of a construction job. For example, another contractor may have concrete equipment much closer to the scene than the firm that has the whole contract. The contractor may sublet the concrete work or the sheet metal work. Part of the contract referred to was sublet, and I am making inquiries to ascertain just what was the extent of that subletting. Without having obtained the full facts, however, I feel sure that only a portion of the contract was sublet to a local contractor nearer the scene than the Montreal firm that had the contract.

I can say that where it is possible to call for tenders we do so, and that practice is followed as fully as the circumstances permit. Where time does not allow us to follow that system, we sometimes use established prices; that is, prices that have been established by recent tenders. Where there is no time to call for tenders, we may renew a contract at the price we last paid for the commodity. If we are using the entire output of an industry, we put in auditors to fix a price that will return a reasonable profit; and where secret work is done, we try to get at least three contractors to tender and award the contract to the company with the lowest tender.

Mr. DOUGLAS (Weyburn): I thank the minister for the information. Is the principle of the cost-plus contract still being used in cases where we are taking all the output of an industry? The minister will remember a certain cost-plus contract which came before the last parliament. In that instance the government was responsible for the purchase of certain tools, jigs, dies and so on, and placing them at the disposal of the firm concerned. Is that principle being carried over into contracts?

Mr. HOWE: So far as I know, no cost-plus contract has been awarded in the last eight months. Sometimes when we have had no previous production of an article, we have used what is known as a target-price contract, which is somewhat different from a cost-plus contract. A price is arrived at which is considered reasonable, and a certain margin of profit is fixed. If the contractor can do better, his margin of profit is slightly increased; and if he is not able to do as well as the established price, his margin of profit drops. That is a contract which is widely used. It has a profit incentive in it, and is the next best thing to a fixed-price contract. The target-price contract is the nearest thing we have to what my hon. friend has described as a cost-plus contract.

Mr. COCKERAM: Would the minister inform the committee whether the Lindsay arsenal is working to capacity, and how many men are employed there at the present time.

Mr. HOWE: Lindsay arsenal is in process of installing machinery. So far as I know, it has not started actual production. I presume the number of men there is the number connected with the installation of the machinery, and the building of auxiliary plant. It is scheduled to start operation on June 15, I am informed.

Mr. COCKERAM: I see the Minister of National Defence is now in his seat, and I should like to direct a question to him

respecting the tank problem, which has been discussed to-night. I direct his attention to a statement made by Brigadier Schmidlin in Toronto last fall regarding the Polish campaign. Would the minister consider whether that statement was the kind of statement one would expect from an officer at headquarters responsible for the mechanized forces of Canada. After all, Germany had been very successful in her campaign in Poland, and it does seem to me that the general staff should have gone into the matter more fully than would seem to be indicated by Brigadier Schmidlin's talk in Toronto. If Brigadier Schmidlin could throw the question of tanks so lightly to one side, does the minister not think it is time for a reorganization of the general staff of the militia? I ask that because it must be realized we have a big job to do and responsible men are needed to head the general staff. Those of us who served in the militia right up to date know what that job is. If an officer, responsible for the mechanization of our army, can view events in Poland so lightly, I do not think he is fitted for the position he now holds in the Department of National Defence.

Mr. ROGERS: I shall answer first the question respecting the Lindsay arsenal. I can only assure the committee that the Department of National Defence has realized fully the productive possibilities of that arsenal, and the importance of making the greatest possible use of it during the course of this war. Plans are under way to that end, and they will be carried forward without delay.

With respect to the second question raised by the hon. member, I would say that the particular statement attributed to Brigadier Schmidlin was brought to my attention to-day. I find the speech he made was given at a meeting of a local association of electrical engineers in Toronto. He has stated to me that the portions of his speech quoted were in fact actual parts of it, but that without the full context they do not give a full picture of his argument, which was based on the hypothesis that both sides were approximately equal in tank and air power.

May I say to the hon. member that Brigadier Schmidlin was at that time director of engineering services. He was not actually in control of the organization of the tank training depot at Camp Borden. It is quite evident that in the course of his remarks at the meeting of the engineering society he did make certain comments respecting the Polish campaign, and that when taken out of their context those comments do not appear to have been borne out by the events of more recent weeks. But I would remind the hon. member that if all those whose military prophecies of six months ago were to be censured at the present time, they would constitute a very large number. Military officers of very high rank in the armies of all the allied powers would be included. With respect to this matter I would say that so far as the information before me is concerned, I have the distinct impression that the portion of Brigadier Schmidlin's speech which was quoted does not fully reveal the actual tenor of his remarks on that occasion.

Mr. McNEVIN (Victoria, Ont.): With respect to the Lindsay arsenal may I say that one hundred men are being employed on production at this plant which has been operating since May 1, 1939.

Mr. MacNICOL: Producing what?

Mr. McNEVIN (Victoria, Ont.): Producing ·303 cups, and discs for the production of heavy shells. The installations under way are for the production of heavy shells, and I am most anxious that that development be completed with the least possible delay. However, it would not be correct to say that the plant is not in production.

Mr. MacINNIS: Is there a fair wage clause in the various contracts being let, and has the government taken precautions to see that fair wages are paid and that decent working conditions are provided in connection with all contracts let by the government?

Mr. HOWE: The fair wage clause is included in all government contracts for munitions, and the Department of Labour has the same control over those contracts as it has over all others.

Mr. MacINNIS: Is that the case in connection with other supplies, too? I have in mind contracts let to the textile industry. I believe there is a great deal of textiles being purchased now. As indicated by a royal commission which reported to this House of Commons, wages in the textile industry are extremely low. Is the government taking precautions to see that men and women working on government supplies are not being sweated in that industry.

Mr. HOWE: The rates in textile wages are covered by contracts and prevailing rates in the industry. May I point out that they are considerably higher now than they were when that royal commission reported, as my hon. friend must know.

Mr. JOHNSTON (Bow River): Does that same wage requirement apply to manufacturers of aeroplanes and aeroplane parts, too? I understand that it does not.

Mr. HOWE: I feel quite sure it applies in the aeroplane industry, as well as in all other industries.

Mr. JOHNSTON (Bow River): On several occasions in the last two or three days I have been informed that within this city of Ottawa wages are being paid as low as eight cents, ten cents and twelve cents an hour, and that when these men work three or four months they are laid off and new apprentices put in their places. In that way production costs are reduced; but if that procedure is adopted, we shall never have any development of experienced mechanics. I was hesitant about bringing up the matter; but since it has been raised, I should like the minister to assure the committee that no such wage as that is being paid in any industry where government contracts are let.

Mr. HOWE: I am not familiar with all the circumstances. The important trades allow a certain number of apprentices. I do not know the wages paid, but I shall be glad to look into them.

Mr. JOHNSTON (Bow River): I can give the name of this concern. I have been trying to get a little more information upon it; that is why I delayed bringing up the question.

Mr. McLARTY: Perhaps I might answer the question. There are two classes of contracts with different sets of labour conditions. There are what are known as the class (b) conditions in which local wage rates and local labour conditions apply. In other contracts—and this applies to the aeroplane construction industry—minimum wages are set which have been agreed upon in consultation between the contractors and the Department of Labour. These are minimum wages, of course, and if there has been any variation below that minimum wage, I shall be glad to see that the circumstances are looked into.

Mr. JOHNSTON (Bow River): Can the minister tell us the minimum wage?

Mr. McLARTY: The minimum wage varies so widely in the different mechanical departments of the aeroplane construction industry and the various types of labour employed that I could not from memory give my hon. friend the figures, but I shall be very glad to furnish him with the information.

Mr. JOHNSTON (Bow River): Surely no industry would pay a married man wages so low as eight or ten or twelve cents an hour; and if that is being done, something should be done about the matter. A man cannot make a decent living at that wage.

Mr. McLARTY: I have no hesitation in assuring my hon. friend that the minimum wage fixed in any contract is far above the figure he mentions. If he will give me information as to the particular company he has in mind, I shall be glad to have an investigation made immediately.

Mr. JOHNSTON (Bow River): I shall be glad to do that.

Mr. MacNICOL: I should like to ask the Minister of National Defence a question with reference to this sentence which appears in the Windsor *Star*, entitled "Editor's note." It reads:

> A special writer for the Windsor *Star*, who speaks German fluently, has been mingling with the German population in Detroit and finds there are no less than 7,500 German army reservists in that city, said to be training regularly.

I have no doubt the same kind of thing goes on also in Buffalo, where there is a very large German population. I know the minister is familiar with the situation, and I would ask him if any special precautions have been taken in Windsor, across from Detroit, and on the Niagara falls side across from Buffalo, to prevent serious subversive action by such people as those to whom this dispatch refers.

Mr. ROGERS: I can assure my hon. friend that we are taking such precautions as are suggested by the most reliable information we can obtain. We keep constant watch of that situation across Canada.

Mr. DOUGLAS (Weyburn): The Minister of Transport will remember that when the defence purchasing board legislation was before the house last year, considerable pressure was brought to bear from various parts of this chamber to have provision made that no member of the board should be a shareholder or stockholder in any armament firm, and the government brought in an amendment providing accordingly, but it was finally deleted by another body. The defence purchasing board was later merged with the war supply board, and the war supply board is now merged with the Department of Munitions and Supply. But the principle is still a good one; and in view of the fact that the government gave assent to the principle, I am wondering if it is being carried out so that those responsible for placing orders and for letting contracts under the minister shall be in no wise connected with the firms receiving the contracts; not because we are suspicious of everyone, but because the people of Canada would have a greater measure of confidence if they were perfectly certain that the men responsible for letting contracts on such a large scale were in

no wise connected with the business firms receiving the orders. Is that principle being carried out?

Mr. HOWE: It is necessary, in organizing a supply programme on the scale that faces us to-day and did face us at the outbreak of war, to have the help of the most experienced men that Canadian industry can provide. We have attempted to get that type of assistance and, I think, have been fairly successful. But obviously when we draw a number of men from industry, we can hardly say that none of these men have or have had any connection with the firms that are making something for the government's war programme. I cannot give my hon. friend the assurance he wants, but I can give him this assurance: I know the calibre of the men we have chosen; I know their integrity, and I am prepared to take personal responsibility for anything they have done in the service of the government.

Mr. COCKERAM: I understood the Minister of National Defence when he was speaking to say that Colonel Carter had made and submitted a report to the government. Is that correct?

Mr. ROGERS: I made no such statement. I believe the statement which appeared in the Toronto *Telegram* yesterday did refer to a report which was made by Colonel Carter to Major-General McNaughton, and perhaps that is the report my hon. friend has in mind. But I made no reference to that report in my remarks.

Mr. COCKERAM: Is that report available in the department?

Mr. ROGERS: Mr. Chairman, I prefer not to answer that question at the present time. The report I assume was made to General McNaughton either in his capacity as former president of the National Research Council or in his capacity as inspector general of the units of the first Canadian division in training in Canada. I shall, however, make the necessary inquiries.

Mr. HARRIS (Danforth): The question of the Lindsay arsenal has been brought up. Perhaps the minister or the hon. member for Victoria, Ontario, might tell us how many men will be employed when the arsenal gets into full production on June 15, or will be in full production by June 15.

Mr. ROGERS: I shall be glad to take note of the question and supply the information if it can be made available.

Mr. BLACKMORE: I have been much informed by the material which has been given out to-night. I would ask the minister if any provision has been made for the manufacture of armoured cars in Canada. They should be much easier to manufacture than tanks, and they would be exceedingly valuable to the country under certain conditions.

Mr. HOWE: We have produced in Canada all the mobile equipment that goes with a division, in fact two divisions—some 9,000 vehicles, of which 7,000 are of the type of armoured car my hon. friend has in mind. We also have production of universal carriers for carrying machine guns and other equipment that go with a division. We have manufactured in this country and have a very large production of all the mechanized equipment of a division apart from tanks.

Mr. ADAMSON: That would include Bren gun carriers?

Mr. HOWE: Yes. We have a contract for 600, and while we have yet to turn out the first, we are very close to production.

Mr. HAZEN: I should like to ask a question of the minister having to do with members of the Canadian active service force going on leave. I understand that when they go on leave, they are provided with a warrant that permits them to travel at half fare. That would be perfectly satisfactory so far as the members of the force are concerned when they have to travel only a short distance. But in the case of a man located, say, in Ottawa, who, when he gets leave, has to go to Saint John, or Halifax, or Timmins, Ontario, with the warrant that he gets he is obliged to pay from $15 to $20 for his transportation. In the case of a married man, who, I understand, draws about $19 a month, this may work a great hardship. I am also informed, although I do not know whether the information is correct, that when a man goes on leave, he is unable to obtain an advance from the paymaster of his unit. Will the minister state whether that is so; also, whether any consideration has been given by the minister to the provision of free transportation to men going on leave prior to proceeding overseas?

Mr. TUSTIN: I wish to say a word along the same line.

Mr. RALSTON: I thought possibly the committee had almost finished. If I could, I should like to report the bill to-night, although of course there is no intention to rush it. I was going to suggest that as the committee of supply will still have the main estimates of the Department of National Defence to consider, I would think, without making a ruling on it, that almost anything could be discussed on the question of the salary of the Minister of National Defence, if on no other

item. So if the discussion is about through, and if hon. members are willing, I would be very glad if the bill could be reported. However, I see it is five minutes after eleven.

Mr. TUSTIN: I wish to say a word about the same matter that the hon. member for St. John-Albert spoke about. I have received to-day three protests along the same line from my constituency. No doubt the Minister of National Defence knows that there are a great many men located at the city of Kingston or at Barriefield. My home is on highway No. 2, and they pass by there in great numbers. Last Saturday there was a torrential rain all day long, and there were actually hundreds of soldiers thumbing their way along that highway. I have had three protests to-day from my home town and that district asking me to take this matter up with the Minister of National Defence, with the object of assuring in future that the men receive free transportation from the Canadian National Railways which is owned by the people of this country.

Mr. ROGERS: I shall be glad to take a note of the question. I believe that the first hon. member who spoke, correctly stated the present position with respect to transportation warrants. My strong impression is that in this respect we have followed the practice which was established in the last war. It does not apply in England, where transportation warrants are given to those who are on leave.

Mr. MacNICOL: The distances in England are very short.

Mr. ROGERS: Yes.

Section agreed to.

Section 6 agreed to.

Bill reported.

On motion of Mr. Ralston the house adjourned at 11.06 p.m.

Wednesday, May 29, 1940.

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:

29th May, 1940.

Sir,—I have the honour to inform you that the Honourable Mr. Justice O. S. Crocket, acting as Deputy of His Excellency the Administrator, will proceed to the Senate chamber to-day at 5.30 p.m., for the purpose of giving the Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
F. L. C. Pereira,
Acting Secretary to the Administrator.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DIRECTOR OF AIRCRAFT SUPPLY—FLEET AIRCRAFT COMPANY

Mr. ADAMSON:

1. Who is the director of aircraft supply?
2. Who is the president of the Fleet Aircraft Company?
3. What orders have been given to the Fleet Aircraft Company by the War Supply Board?

Mr. HOWE:

1. Mr. W. J. Sanderson.

2. Mr. W. J. Sanderson.

3. See published record of contracts awarded July 14, 1939, to March 31, 1940. Refer to pages: 12, 18, 19, 25, 45, 61, 78, 91, 100, 138, 140, 155, 171, 189, 196, 210, 213, 247, 270, 316, 320, 325, 328, 348, 391, 393, 407, 409, 507, and 614. July 14, 1939, to March 31, 1940, incl., $3,581,432.53. April 1, 1940, to May 22, 1940, incl., $138,352.41. Grand total to date (May 22, 1940), $3,719,784.94.

PRAIRIE FARM REHABILITATION ACT—T. WATERS

Mr. PERLEY:

1. Who was the officer employed under the Prairie Farm Rehabilitation Act referred to under travelling expense accounts Vote 480, in the Auditor General's Report for the year ending March 31, 1939, page 232?
2. Why was he discharged, and when?
3. Was he reemployed, and when?
4. What is his present position?
5. What was his salary at the time of his discharge?
6. What were his travelling and other expenses for the year previous to his discharge?
7. What is his present salary and other expense allowances?
8. Was an investigation carried on as suggested by the Auditor General?
9. If so, what were the findings, and, if not, why was such investigation not held?

Mr. GARDINER:

1. Mr. T. Waters.

2. He was removed from the service on March 12th, 1939, because of reported irregularities in expense accounts.

3. He was replaced in the service for the period August 1, 1939, to November 8, 1939, to complete the special work on which he had been engaged.

4. He is not at present employed by the Department of Agriculture.

5. $125 per month.

6. $2,385.17 for the fiscal year 1938-39.

7. See No. 4 above.

8. An investigation was carried on covering some of Mr. Waters' expense accounts.

9. Irregularities to the amount of $79.63 were found. This amount was subsequently recovered from Mr. Waters.

ALIENS BROUGHT IN BY BATA SHOE COMPANY AT FRANKFORD, ONTARIO

Mr. HARRIS (Danforth):

1. How many Europeans from the age of 12 to 21 were brought into Canada by the Bata Shoe Company, Frankford, Ontario, in 1938, 1939, 1940?

2. How many Europeans from the age of 21 to 60 were brought into Canada by the Bata Shoe Company, Frankford, Ontario, in 1938, 1939, 1940?

Mr. CRERAR:

1. 1938—none.
1939—8.
1940—none.

2. 1938—2.
1939—123.
1940—1.

MILK PRICES—MONTREAL

Mr. LACOMBE:

What was the average price of milk in Montreal during each of the years 1938, 1939, and 1940?

Mr. MacKINNON (Edmonton West):

	*Milk, fresh price paid to producer per 100 lbs. delivered at railway station, Montreal	Retail Milk, fresh per quart at Montreal
	$	$
1938..	2·076	·116
1939..	2·023	·109
1940, January to April ..	2·150	·115

*1 gallon of milk equals 10·3 pounds.

SECRET SOCIETIES

Mr. JAQUES:

1. Is the government considering the advisability of making secret societies and the membership in them illegal?

2. Will a return be made to the house of the names and members of the government who are members of secret societies, and also of the presidents and general managers of banks who are similarly affiliated?

[Mr. Gardiner.]

Mr. LAPOINTE (Quebec East):

1. This question relates to a matter of policy and it is not customary to make a statement in reply to same.

2. Answered by No. 1.

*DISTRIBUTION OF COPIES OF BILLS TO MEMBERS

Mr. HANSELL:

Will the government consider having a copy of all bills of the House of Commons placed in the post office boxes of members on the day on which they are filed in the chamber?

Mr. MACKENZIE KING: This is a question about which I should like to have a word with Your Honour before it is answered.

THE ROYAL TRAIN

Mr. HANSELL:

1. Was the royal train put into service since it was last used by Their Majesties?

2. If it is not now in service, would the government consider putting it on display at the various city exhibitions during this coming summer?

Mr. HOWE:

1. The cars which made up the royal train were returned to normal railway service by the Canadian National and Canadian Pacific railway companies at the conclusion of the royal visit.

2. Answered by No. 1.

CANADIAN TRADE BALANCES, 1910-1940

Mr. HANSELL:

What was Canada's favourable or unfavourable trade balance for each year since 1910?

Mr. MacKINNON (Edmonton West):

Fiscal years ended March 31	Balance of trade Favourable	Unfavourable
1910..	....	$ 71,554,206
1911..	....	162,724,393
1912..	....	214,688,524
1913..	....	294,138,879
1914..	....	163,756,774
1915..	$ 5,486,601	....
1916..	271,098,936	....
1917..	332,760,222	....
1918..	622,637,214	....
1919..	349,053,580	....
1920..	222,130,586	....
1921..	....	29,730,763
1922..	6,122,677	....
1923..	142,716,593	....
1924..	165,396,430	....
1925..	284,429,106	....
1926..	406,583,761	....
1927..	238,692,028	....
1928..	147,196,219	....
1929..	127,766,443	....
1930..	....	103,335,512

Fiscal years ended March 31	Balance of trade Favourable	Unfavourable
1931		$89,584,647
1932	$ 32,749,123	....
1933	128,594,376	....
1934	238,466,770	....
1935	241,853,735	....
1936	299,753,013	....
1937	402,368,654	....
1938	285,751,286	....
1939	311,542,117	....
1940	(a)155,987,834	....

(a) Statistics for 1940 do not include gold. Net exports of non-monetary gold amounting to 188·1 million dollars are additional to the favourable balance as shown.

*WAR REFUGEES

Mr. BRUCE:

In view of the congestion and difficulty imposed upon the British authorities in consequence of evacuating children from many of the eastern seaport towns, is it the intention of the Canadian government to immediately offer the hospitality of Canada to any large number of these children, and if so, how many?

Mr. CRERAR: There is little if anything that can be added to the information already given by the Prime Minister in reply to similar questions yesterday and a few days ago. The matter is the subject of communication at the present time between Canada and the United Kingdom.

DOCTOR ALBERT MOELLMAN

Mr. McGREGOR:

1. Is Dr. Albert Moellman, formerly of Waterloo, Ontario, in the employ of the federal government?
2. If so, what position does he hold?
3. When was he appointed?
4. By whom was he recommended?
5. What salary does he receive?

Mr. MacKINNON (Edmonton West):

1. Yes.
2. Dr. Moellman is a temporary statistician grade 3, during the absence of the permanent incumbent on extended sick leave.
3. February 12, 1940; was previously on temporary staff during the summers of 1938 and 1939.
4. His application for special work was favourably considered by the department and the civil service commission.
5. $2,880.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BREN MACHINE GUNS—JOHN INGLIS COMPANY

Mr. ROSS (Souris):

1. How many Bren guns have been delivered by the John Inglis Company Limited?
2. How many Bren guns have been purchased by the dominion government in England and/or from any other source, and how many of such guns have been delivered from England and/or any other source?
3. What sums of money have been paid by the dominion government to the John Inglis Company Limited, since the letting of the Bren gun contract?
4. Having regard to the fact that the Bren gun contract was divided into three parts, viz: (1) the preparatory period of two years; (2) the production period of four years; (3) the series of special clauses: (a) What sums of money have been paid and/or charged against each of these periods by the dominion government to date? (b) Will any further sums be chargeable against periods (1) and (3)?
5. How much money has been contracted for or paid by the dominion government for machinery for the John Inglis Company Limited?
6. What amount of money has been paid by the Dominion government for tools or dies: (a) to the John Inglis Company Limited; (b) to other suppliers of such materials in connection with the Bren gun production?
7. How many members of the civil service or militia of Canada are engaged in the John Inglis Company Limited on the Bren gun contract; what is the salary of each, and, are these salaries paid from the federal treasury?
8. What experts, other than Mr. Gillespie, have been brought to Canada to assist in the production of the Bren gun?
9. What other contracts have been given to the John Inglis Company Limited by departments of the dominion government?

LIFE INSURANCE—LAPSED POLICIES

Mr. HANSELL:

1. How much life insurance held by policyholders in Canada has lapsed during each year since 1914?
2. How much of this insurance was in Canada and British and American companies respectively?

SOLDIERS' DEPENDANTS' ALLOWANCES

Mr. HANSELL:

1. What is the schedule of allowances to soldiers' dependants: (a) dependants of married soldiers; (b) dependants of unmarried soldiers?
2. Is there ever any exception to the schedule?
3. Is each application for soldiers' dependants dealt with separately? If so, by whom, and by what procedure?

SUBVERSIVE ACTIVITIES

INCIDENT AT VERNON, B.C.—STATEMENT OF MINISTER OF JUSTICE

On the orders of the day:

Hon. GROTE STIRLING (Yale): I should like to ask the Minister of Justice a question. I have just received this telegram from the mayor of Vernon, British Columbia:

Last night a meeting was being held in the Legion hall Vernon to form a home defence corps when some person or persons unknown bombed the hall breaking all windows on one side. We would ask your assistance in putting this matter

before the hon. minister of the proper department we would like to ask for an issue of a few rifles and ammunition to help protect our wives and children also our country urgent.

I should like to ask the minister whether he can make a statement with regard to the steps which the government are prepared to take to allay the anxiety that naturally exists and to which I have drawn his attention for ten days past.

Right Hon. ERNEST LAPOINTE (Minister of Justice): I had not intended making any statement to-day on this matter but I will give my hon. friend information. Before doing so however I should like to impress upon members who have concrete cases the desirability of sending them to the Royal Canadian Mounted Police or even to the Department of Justice—I am not referring to my hon. friend's question; that is another matter altogether—instead of giving them publicity by questions in parliament, sometimes hampering the work that has to be done by conveying knowledge to the interested parties of what may be done, and sometimes casting unfair suspicion upon people who do not deserve it. For instance, yesterday a question was asked about the employees of the Bata Shoe Company and I immediately obtained information. There are 156 men there, all Czechs, refugees who came here after their country had been invaded and crushed by Germany. These men are all registered. They all report except nine of them who have certificates of exemption. These exemptions are not given by me but by the commissioner of the Royal Canadian Mounted Police, who is also registrar general of alien enemies. These people have not given any trouble which the police know of except for the fact that one complaint which was made against some of them is being investigated by the Royal Canadian Mounted Police.

As regards the question raised by my hon. friend, there are no particulars as to who may be responsible for the disorder that has taken place in Vernon. May I say that under the law as it is, and as it has always been, it is for the provinces and municipalities to maintain law and order within their limits. Of course, the Royal Canadian Mounted Police are quite willing when their services are required to give them, and in connection with anything relating either to war or to some other matter coming within federal jurisdiction they even take the initiative. The administration of justice in the provinces is however under the province.

Mr. ROWE: That is, in normal times.

[Mr. Stirling.]

Mr. LAPOINTE (Quebec East): At all times the administration of justice is under the provinces. We may help them, we may give them all the material we have, we may assist them. But not only is it within their jurisdiction under the constitution, but it is even their right, to administer justice. Indeed, not so very long ago the premier of a very important province of this dominion simply refused the federal authority the right to have one counsel assisting crown prosecutors in matters relating, for instance, to smuggling or in other matters of that kind, because it was for the province to prosecute the accused, and he did not wish to have anything to do with anybody appointed by the federal authorities with a view to giving assistance. Strictly speaking, he was right legally because it is within the jurisdiction of the province. In this case, there are no particulars indicating that it is something connected with the federal authorities and we could not go there without being requested to do so by the proper authorities. However, I shall be glad to have the necessary information obtained regarding this matter.

While I am on this subject may I say that until two weeks ago the criticism I had to meet was quite the opposite. During the whole of the election campaign I had to defend myself on every platform, I had to defend the government, because the defence of Canada regulations were being attacked everywhere on the ground that they were too strict, too arbitrary. I was called the Hitler of the government of Canada; and, mind you, there are gentlemen criticizing me to-day who were not defending me at the time against the attacks of Colonel Drew, for instance, who said that we were taking away all the liberties of the Canadian people. Even my good friend the former member for St. Lawrence-St. George, Mr. Cahan, made a speech before the Rotary club in Montreal in which these regulations were strongly attacked because, it was said, they interfered with the liberty of the country.

Mr. HANSON (York-Sunbury): On a point of order, the first part of the minister's statement was correct in every way. Now I suggest he is making a political speech.

Mr. ROWE: A campaign speech.

Mr. LAPOINTE (Quebec East): I did not intend to say a word about this to-day, but the hon. member for Yale (Mr. Stirling) asked me to make a statement and I am proceeding to make that statement. Is there anyone who can contradict what I have said?

Mr. BROOKS: You are reaping the whirlwind and will reap it.

Mr. LAPOINTE (Quebec East): We were told that our regulations were much more strict than the British regulations. I had to plead this case before the people of Canada on the political platform; we were asked everywhere to decrease the severity of our regulations at least to the level of the British regulations. But just recently the British regulations have been increased in severity. We have not gone down to them; they have come up to us.

Mr. ROWE: Would the minister permit a question?

Mr. LAPOINTE (Quebec East): I have been flooded with questions. This is my first answer.

Mr. HOMUTH: You have not answered it very well.

Mr. SPEAKER: A question was asked of the minister. I think he has now replied to it.

ENEMY ALIENS—USE OF SERVICES OF WAR VETERANS

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): I have received similar telegrams; I will not enlarge on the details. I asked for some information some days ago. I should be glad if I might have that information to convey it to one or two of the returned soldiers' organizations or groups to assure them as to what has been done.

Mr. LAPOINTE (Quebec East): I shall be glad to see that what my hon. friend asks is furnished.

ALIENS BROUGHT IN BY BATA SHOE COMPANY AT FRANKFORD, ONTARIO

On the orders of the day:

Mr. J. H. HARRIS (Danforth): I should like to ask a question arising out of the statement of the Minister of Justice (Mr. Lapointe). He said that the Bata Shoe Company employees and those brought in who are presently in the Frankford area could be considered as refugees, and that they have come in since Czechoslovakia was ravished. I hope the minister will check that statement and give a further statement on it. A large number of them came in long before Czechoslovakia was ravished, and a large number were not in the class of refugees at all.

Mr. LAPOINTE (Quebec East): It is for the Minister of Mines and Resources to answer that.

Hon. T. A. CRERAR (Minister of Mines and Resources): These admissions were made after the occupation of Prague by the Germans, certainly after the Munich settlement. There is no question of that.

Mr. W. A. FRASER (Northumberland, Ont.): I should like to refer to the question asked by the hon. member for Danforth (Mr. Harris) and also that asked yesterday by the hon. member for Hastings-Peterborough (Mr. White), in connection with the Bata Shoe Company. I believe that every hon. member of this house wishes to be fair to these people—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I think the hon. member is out of order. There is no question before the house.

Mr. G. S. WHITE (Hastings-Peterborough): With regard to the question I asked yesterday concerning the Bata Shoe Company, am I to take it that the remarks the minister has made to-day are the answer to my question and that the department does not intend to make any further investigation?

Mr. LAPOINTE (Quebec East): I said that the only complaint that has been received has been one received these last days with regard to only a few of those men, and that their activities are now being investigated by the Royal Canadian Mounted Police. These people are all registered; the police are watching the activities there as elsewhere, and I do not know that we can do more than that, especially since those men are being checked.

Mr. WHITE: I shall be glad to supply the minister confidentially with certain information that has come to my knowledge.

An hon. MEMBER: Why did the hon. member not do that a week ago?

Mr. FRASER (Northumberland): I should like to direct a question to the hon. member for Hastings-Peterborough.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

INQUIRY AS TO RAIDING OF OFFICES OF MONTREAL YOUTH COUNCIL

On the orders of the day:

Mrs. DORISE W. NIELSEN (North Battleford): I should like to direct a question to the Minister of Justice (Mr. Lapointe). I have received a letter from the Montreal Youth Council stating that last Thursday their offices were raided by officers of the Royal Canadian Mounted Police. The Montreal Youth Council is affiliated with the Canadian Youth Congress which I believe has come to the attention of a great many people in this country as being a worthy organi-

zation. They intend to meet in Saskatchewan this summer. Already the lieutenant-governor of that province is a patron of the congress, and I believe the minister of education of Saskatchewan has become a patron as well. I believe the Montreal Youth Council should have at least some opportunity of learning why their offices were raided.

Mr. SPEAKER: Order. Will the hon. member please state the question without offering any opinions?

Mrs. NIELSEN: I should like to know why the mounted police raided those offices and whether the material which they took away will be returned?

Mr. LAPOINTE (Quebec East): This will perhaps reestablish some equilibrium in the matter; to a certain extent I am glad that criticism of the other kind comes to me now. I shall be pleased to secure the information which my hon. friend desires. I cannot give a definite answer to-day.

MOUNTED POLICE

REPORTED CHARGE AT CANADIAN LEGION MEETING AS TO POLITICAL INTERFERENCE

On the orders of the day:

Mr. ALAN COCKERAM (York South): I wish to direct a question to the Minister of Justice. At the Canadian Legion convention in Montreal yesterday, definite charges were made that there was political interference with the Royal Canadian Mounted Police. I think the house and the people of the country should be given definite assurance that such is not the fact.

Right Hon. ERNEST LAPOINTE (Minister of Justice): I do not know that any such charge has been made; if it has, it is an atrocious untruth. If there is any body of men in Canada with which politics has nothing to do, it is the Royal Canadian Mounted Police. This statement applies to all their activities, to the recruiting of them, their promotion, their retirement; every time a member of parliament or any outsider has asked that there should be some influence prevailing to promote a man or do anything in regard to the police the letter has gone to the wastebasket, and any officer of the mounted police from the commissioner down would say the same thing.

Mr. COCKERAM: I am glad to have that assurance, because I have great faith in the Royal Canadian Mounted Police.

ALIENS IN UNITED STATES

REPORTED LEGISLATION REQUIRING REGISTRATION AND FINGERPRINTING

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I wish to call the attention of the government to dispatches in Monday's United States papers saying that a bill has been reported by the judicial committee of the United States Senate requiring all aliens in the United States, which includes hundreds of thousands of Canadians working there, to be registered and fingerprinted. I would ask that the Prime Minister be good enough to look into the matter and see that the interests of our Canadians over there are protected.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The Department of External Affairs has asked for a copy of the bill to which my hon. friend has just referred, and there will be communications between the department and the United States legation concerning it.

NATIONAL DEFENCE

QUESTION AS TO SUPPLY BY BRITAIN OF TANKS AND TRAINING FACILITIES

On the orders of the day:

Mr. ALAN COCKERAM (York South): I should like to direct a question to the Minister of National Defence (Mr. Rogers), who is not in the house at the present time. The question is: Is there on file in the Department of National Defence a letter written early in October last from the War Office or British authorities in which the Canadian authorities were informed that the British government would be unable to supply any tanks to the Canadian forces and also would be unable to supply training facilities for Canadian tank troops.

Mr. SPEAKER: I think that question should take the form of a motion for an order for the production of these documents.

INQUIRY AS TO DISTRIBUTION OF COPIES OF CONTRACTS

On the orders of the day:

Mr. J. H. HARRIS (Danforth): I should like to direct a question to the Minister of Transport (Mr. Howe), who is acting as Minister of Munitions and Supply. On May 22 he tabled a report of contracts let to March 31. Will copies of these contracts be available to members? At present they are not in print or not in the distribution office.

And when may we expect a copy of the contracts awarded up to—I think the minister said May 10?

Hon. C. D. HOWE (Minister of Transport): I am sorry to say that the printing office has not yet been able to turn out sufficient numbers for distribution. They are delivering them to my office as they are turned out. To date I think we have about half enough to supply the requirements of the whole house. If any hon. member wishes them immediately, if he will send a note to my office I will see that they are delivered to him. We hope to have sufficient copies to deliver within a day or two.

It has been our practice to publish the contracts by periods of two months, but if it is the wish of the house we could revise that and publish supplements to the list of contracts to the end of each month.

WAR APPROPRIATION BILL

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

Hon. J. L. RALSTON (Minister of Finance) moved the third reading of Bill No. 18, for granting to his majesty aid for national defence and security.

Hon. R. B. HANSON (Leader of the Opposition): Before this bill receives third reading and goes forward for royal assent, I desire to advert to a principle to which I alluded when the bill was in committee of the whole last Monday; that is to say, that provision should be made in this bill, as in all money bills, for a full report to parliament within a period of time stated in the bill, as soon as possible after the opening of the next session of parliament, containing as far as possible a full and correct statement of the moneys expended under the measure and the purposes for which they have been spent. The principle involved is that parliament shall have complete control over expenditures, and I know when I state that principle concretely in that fashion it will find an echo in the heart and mind of the Prime Minister (Mr. Mackenzie King) because on many occasions between 1930 and 1935 he "set the heather on fire" with enunciations in support of that very principle.

I assume that I shall be met at once with the reply that this is all very well with respect to money bills in ordinary times, but that these are not ordinary times; that this is a war measure; that it is not in the public interest or that it may not be convenient within the time suggested to lay before parliament a true and correct statement of all the moneys expended under this bill. I submit, sir, that even though this premise be correct, it does not follow that parliament should not have an accounting; for certainly it should be the aim of parliament to retain control over all expenditures.

I discussed the matter briefly with the Minister of Finance (Mr. Ralston) and made the suggestion to him as long ago as Monday that of his own motion he should place in the bill a new section containing this provision. I had intended referring to this matter yesterday afternoon or last evening, but inasmuch as my memorandum in that connection had been sent over to the minister and had not been returned, it escaped my attention. To-day I deem it my duty to ask the minister to accept the principle which I have endeavoured to enunciate as succinctly as possible, for the reasons which I have suggested. This is the last opportunity I shall have to say anything about this matter; but because it appears to me that the principle involved is fundamental I believe we should put on record a statement of our position in regard to this money bill even though it may be a war appropriation measure.

I know there may be occasions when it is not in the public interest to do certain things; but with respect to expenditures of public money, even in war effort, I believe parliament should retain control. I am sure the Prime Minister will not controvert the principle involved; in fact, he is so wedded to it that I am surprised at its omission from the bill in the first instance. If we do not put something like this in this bill, something similar to what was in the Unemployment Relief Act, of course we can say good-bye to parliamentary control over the expenditure of public funds. Our position then will be merely that of rubber stamps voting public funds to the government to spend as they like, without any control by parliament and without any necessity for reporting to parliament.

I therefore move, seconded by the hon. member for Yale (Mr. Stirling):

That the bill be not now read a third time but that it be referred back to the committee of the whole with instructions that they have power to amend the same by adding thereto section 7, to the effect following:

"7. A detailed account of the sums expended under the authority of this act shall be laid before the House of Commons of Canada during the first fifteen days of the then next session of parliament."

Hon. J. L. RALSTON (Minister of Finance): The leader of the opposition (Mr. Hanson) was good enough to speak to me about this matter just at the opening of the house. I should explain to the house what I explained

to my hon. friend, that in the first place the appropriation bills on which this bill has been modeled have not contained such a provision as he suggested. I think the reason was that it was considered inadvisable to make any hard and fast regulation with regard to details of expenditures, having regard to the purposes of the expenditures and the fact that of course only a certain amount of information could be given. When I mention the bills on which this bill was modeled, of course I refer to the bills passed in the sessions of 1915, 1916 and 1917, during the great war. That is why this provision does not appear in this bill because I believe those reasons apply to-day also. It is, I think, quite impossible to give an undertaking, or to insert in the statute a provision, that a detailed statement shall be given concerning expenditures of this kind, because obviously that would be to undertake to reveal information which it may not be in the public interest to give, having regard to the nature of the expenditures. It is also, I am told, difficult to provide for a statement of this kind until a reasonable time has lapsed after the fiscal year has closed, because the various purposes for which the expenditures had been made have to be collocated under different headings from those usually used; that is to say, more general headings.

I have suggested to my hon. friend—and I hope he will accept this suggestion—that I shall now give to him and to this house an undertaking that the Minister of Finance will lay upon the table of the house or present to the House of Commons within two months after the end of the fiscal year a statement of all the moneys expended upon the provisions of this measure under headings to be approved by the governor in council. When I say, "under headings to be approved by the governor in council," that simply means that there might not be details, for instance, of the expenditure on ships or pieces of ordnance or other things which would indicate the extent of our equipment. General headings would be used along the lines I would think of the headings in the explanatory notes which appear in the bill with which we are dealing and the headings under which I gave expenditures last night.

The house will realize that hon. members will then be in this position: They will have three checks upon the administration. They will have the check of the undertaking that a statement shall be presented containing information upon which all questions and inquiries can be based. They will also have the check that they need not vote more money under any subsequent war appropriation bill unless the information given is satisfactory. They will also have the check of getting information which is desirable on the estimates of the Department of National Defence, which department I would anticipate under present conditions will be going on for a good many years in this country. I hope my hon. friend will accept that.

May I add one further word? I said that there would be a statement laid on the table of the house within two months after the end of the fiscal year; but if by any chance parliament is not then sitting, the statement will be laid on the table within fifteen days after the opening of the next sitting of the house.

Hon. GROTE STIRLING (Yale): Mr. Speaker, when I remember the insistence which the right hon. the Prime Minister (Mr. Mackenzie King) laid on the necessity for control by parliament, I am sure that had the argument put forward by the Minister of Finance (Mr. Ralston) now been put forward from that side of the house, it would not have been acceptable to the right hon. gentleman. I do not think the reasons given by the minister meet the difficulty at all. It would not give parliament that inquisitorial right which it has to look into these matters as soon as possible after the assembling of this house. He suggested that he will give an undertaking. That undertaking would be the undertaking of the occupant of the position of Minister of Finance at this time.

I do not think it is a difficulty that the end of the fiscal year would not have been reached. It certainly was no difficulty in these cases with which we are drawing comparisons. The contention put forward by my leader is a most reasonable one, that there shall be attached to this bill a provision to the effect that these pieces of information, financial detail in the hands of the government, shall be laid before parliament, which is supreme.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, fifteen days after the opening of the session has been the rule for the tabling of all reports of departments and commissions, even the Canadian National Railways and other bodies.

Before the vote on the third reading is taken, I want to ask one question. First, I call attention to the fact that eight days ago the government announced that there would be recruiting for the second division and for a third division. Recruiting offices all over Canada are being visited. Within the last three or four days young men have been crowding recruiting offices in the city of

Toronto, Hamilton and other places, and they are told that only skilled draftsmen can be engaged—electricians, carpenters, blacksmiths, machinists, mechanics and others skilled in technical lines. The government should do something for these young men. First of all they cannot get a job; second, they can get no relief; and, third, they are now prohibited from joining the army although they are able-bodied men willing to fight. Surely within twenty-four hours the government could give instructions to the heads of the twelve military districts to go ahead and register these men. Otherwise I should like to find out if action along this line is awaiting the third reading of this bill. Many of these men are thus left again to ride the rods, and many of them will have to go back to panhandling. They will not get food or lodging or anything, and so they will be out on the street. The government could easily give instructions to the commanding officers in the military districts to have these men report and register them. There should be some announcement by the government with respect to recruiting for the second and third divisions which was announced eight days ago, but nothing has been done.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, may I say to the hon. member for Yale (Mr. Stirling) with respect to the undertaking given by the Minister of Finance, that in so far as the undertaking can be given in the name of the government I am prepared to give it in the name of this government.

In reply to my hon. friend the leader of the opposition (Mr. Hanson), he is quite right in saying that no one has been more insistent on the principle of control of public expenditures by the House of Commons than myself. I would point out to him, however, that whenever I have spoken on this subject I have spoken not at a time of war when very exceptional conditions arise, but at times when the country was proceeding with its normal business in a normal way. I laid particular emphasis on the need of control of expenditures for purposes of relief and the like. Had I been in the House of Commons at the time of the last war, my attitude would have been precisely the same as that of the Right Hon. Sir Wilfrid Laurier who was then the leader of the Liberal party; and the leader of the opposition. It was that as long as the country was opposing and was confronted by the enemy he would be prepared to lend to the government of the day whatever assistance he possibly could, and would reserve until a later time any criticism he might have to make of measures which he had reason to believe were intended to save the administration from embarrassment at such a time. That I think is an attitude which my hon. friend himself will appreciate. I believe his attitude towards the present administration is along those lines. I point this out because I do think there is a difference between information being given in a time of peace and giving in detail to parliament, while war is on, certain expenditures which it may be inadvisable to disclose in detail and which have been made under a measure which parliament itself has approved.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, before the amendment is put, I should like to say that in my opinion there is involved in the amendment a principle which we cannot very well refuse to support, namely, the principle of the control by parliament of the expenditures that have been or are to be made. On these grounds we would support the reference back to committee, where a discussion as to the feasibility of the amendment could be gone into thoroughly. I realize that undoubtedly there might be some objection to the word "detail" in the amendment, but simply to accept the undertaking of the Minister of Finance (Mr. Ralston), in whom we all have great faith, is in my opinion not the proper thing for the house to do; for ministers come and ministers go. I think in this first appropriation we should give further consideration to the suggestion made by the leader of the official opposition (Mr. Hanson) and thoroughly look into the feasibility of what is suggested. On these grounds we are supporting the amendment.

Mr. J. H. HARRIS (Danforth): Mr. Speaker, the period referred to by the Prime Minister (Mr. Mackenzie King) is not the same as is in the minds of members of this house. The right hon. gentleman referred to the last war, but we were thinking of the time when he and his colleagues occupied the benches on this side of the chamber. From 1930 to 1935 this country was faced with an economic situation the like of which it had never known at any time in its history. I have a most vivid recollection of the Prime Minister belabouring the government of that day hour after hour. That government was elected and we came here to a special session of parliament to enact legislation to relieve the economic condition which existed. We were elected at that time for that sole purpose. I can remember the Prime Minister, after three or four quite long speeches, rising in his place and tracing the history of parliamentary institutions back to the time of confederation and reciting the achievements of his progenitors

He did that when our people were hungry and were waiting for some relief. He insisted on a certain principle being adopted, and the government of that day did adopt that principle.

So much for history. We are anxious to get on with this job of work. There has been a great deal of give and take across the floor of this house and I hope there will be more. I hope the Minister of Finance (Mr. Ralston) and the government will see their way clear to adopting this amendment. After all, there is little difference between the undertaking which the Minister of Finance has given on behalf of the government and this amendment. Let us keep our house in order as we go along. It is something new to me to see a statute bereft of intention, and then have that intention covered by a solemn undertaking given by the Minister of Finance.

I am quite serious and sincere when I say that before very long I hope someone else will be Minister of Finance and that the present Minister of Finance will be occupying a higher position than he does at the present time.

Some hon. MEMBERS: Order.

Mr. HARRIS (Danforth): The Minister of Finance has given an undertaking in the name of the government, but in my opinion that undertaking should be part and parcel of this bill. I do hope the government will reconsider the stand they are taking and accept the amendment.

Amendment (Mr. Hanson, York-Sunbury) negatived on division.

Motion agreed to and bill read the third time.

Hon. J. L. RALSTON (Minister of Finance) moved that the bill do now pass and that the title be as on the order paper.

Mr. K. K. HOMUTH (Waterloo South): Mr. Speaker, before this bill receives its third reading—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The third reading has been carried.

Mr. HANSON (York-Sunbury): On a point of order, the hon. member was on his feet before the motion was put.

Some hon. MEMBERS: No.

Mr. SPEAKER: I did not see him.

Mr. HOMUTH: Before this bill receives its third—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I am sorry, but the third reading has been carried and the title is as on the order paper. I did not see the hon. gentleman.

Motion agreed to and bill passed.

NORTHWEST TERRITORIES ACT

JURISDICTION OF PROVINCIAL COURTS—CARE OF INSANE PERSONS

Hon. T. A. CRERAR (Minister of Mines and Resources) moved the third reading of Bill No. 12, to amend the Northwest Territories Act.

Motion agreed to and bill read the third time and passed.

NAVAL SERVICE ACT

PROVISION TO MAKE CIVILIANS SERVING IN SHIPS SUBJECT TO NAVAL DISCIPLINE

Hon. C. G. POWER (Minister of National Defence for Air) moved the second reading of Bill No. 2, to amend the Naval Service Act.

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

On section 1—Naval Service Act amended.

Mr. CHURCH: I should like to ask the minister in charge of this bill what Canada's navy consists of, where it is located on the Atlantic and Pacific and what work it is doing to coordinate and cooperate with the mother country to overcome the grave submarine menace which may occur any time, as it did in the great war.

Mr. POWER: As to where the navy is actually operating, I cannot give that information to my hon. friend because it would not be in the public interest to do so. As to the numbers of the forces, I do not know that it is in the public interest to give that, either; but I will say this, speaking from my knowledge of the estimates, that by the end of the year 1941 there will be 12,000 officers and ratings enlisted in the Canadian naval forces—I believe about 1,400 officers and 10,000 ratings.

There are in commission seven destroyers, fifteen mine-sweepers, six anti-submarine vessels, fifteen fishermen's reserve vessels, and fifty-one auxiliary vessels; and under construction, ninety vessels, fifty-four patrol vessels and eighteen mine-sweepers. At the present time the personnel is 952 officers and 5,662 ratings.

Mr. STIRLING: As I understand it, from the few words of explanation which the Minister of National Defence (Mr. Rogers) gave on the resolution, this is for the purposes of administration only. Would the minister who is

in charge of the bill tell the committee whether in any sense this affects the rights, the standing of those affected by the bill?

Mr. POWER: Oh, not at all. This applies purely to such civilian personnel as may be attached to or employed by the navy or the officers of the navy, and it is in order that discipline may be observed. During the last war some difficulty arose on that account.

Mr. HANSON (York-Sunbury): That statement of the minister is quite reassuring, that is that it is for discipline only. In the explanatory note in the bill that is accentuated. But further on, it is said that the procedure during the last war was open to certain legal objections. Would the minister give us just the meat of the whole thing and inform us as to the difficulty which arose at or since that time? I think there was some question of civil rights, in connection with actions for negligence, which might be taken away from these men if they became subject to naval discipline. To my mind there is something in that. Perhaps it has not occurred to the officers of the department to meet that point, and the bill may not be designed for that purpose. As the minister knows, the rights of a seaman in the navy in respect of, we will say, accidents, are entirely taken away from him, as contrasted with a civilian, working in a naval vessel, who is not an enlisted man or a rating. Having regard to the words, "it was open to certain legal objections," perhaps the minister will give some explanation as to what that means. Further on in the explanatory notes it says, "it gave rise to many claims for war compensation which, though not legally admissible, were extremely difficult to reject." There seems to be more in the bill than appears on the face of it. If the minister has the information, perhaps he would give it.

Mr. POWER: First I want to make it quite clear that this applies to persons who are not actually enlisted in the navy—

Mr. HANSON (York-Sunbury): I understand that.

Mr. POWER: —but are serving with it. Pilots, I suppose, would be one category while they are serving with the navy; perhaps fishermen; and other trades serving in connection with or attached to the navy. Apparently during the last war that was not made quite clear, and trouble arose with regard to discipline. I have no recollection of that, I do not remember any instances of it, but I do remember of cases with respect to compensation in the shape of pensions. I take it that this bill will apply to those men who are not actually enlisted in the navy, that it will give them rights with respect to pension similar to the rights of those who are in the navy. Perhaps my hon. friend will follow me as I read section 1; I am skipping words which may be redundant:

> (1) If any person who, not belonging to the naval service, enters into an engagement with the minister to serve his majesty . . . and agrees to become subject to this act upon entering into the engagement, that person shall, so long as the engagement remains in force . . . be subject to this act, and the provisions of this act shall apply in relation to that person as if, while subject to this act, he belonged to the naval service and were borne on the books of one of his majesty's Canadian ships in commission.

I take it that this would entitle him to the pension rights to which members of our naval forces are entitled. I remember, although I cannot recall the details, that certain pension claims were rejected on the ground that men who served in such capacity in the last war were not, properly speaking, members of the forces as laid down in the Pension Act; and I believe that this bill is intended to cover them.

Mr. HANSON (York-Sunbury): There cannot be any objection in principle to the bill. I rose merely to clarify, if possible, the legal objections referred to in the explanatory notes. The intention of the bill is to make those persons who are not regularly enlisted subject to discipline as if they were one of the ratings of a ship. Of course there may be other implications which one does not understand unless one has read the entire naval act. I have not had time to do that. If the minister says that that is the only purpose of the bill, I am quite content.

Mr. GREEN: Could this section be used in the case of a Canadian who enlisted in Canada in the British navy or in an armed British merchantman? We had in Vancouver a case last fall where the British authorities with the aid of the Canadian authorities called for recruits for an armed merchantman which was not in the Canadian forces but was under British control. Quite a number of men enlisted, and some of them, at least, believed that they were enlisting in the Canadian navy. They found that they were actually with the British forces; they got British rates of pay, and their wives received allowances at British rates, which are a good deal lower than Canadian rates; also they learned that they would not have pensions at the Canadian rates, and they were losing money every month through the exchange, because they were paid in British funds. Would it not be possible to make some provision for men of that type?

It seems to me that they should be treated in the same way as other Canadians who enlist in the Canadian navy.

Mr. POWER: In a bill intended to deal with the Canadian naval service I would not care to endeavour to encompass the rules, regulations and discipline of the Royal Navy. There may be some other statute which can be amended to meet the wishes of my hon. friend; but I doubt very much whether in amending the Canadian Naval Services Act we can do anything which would effectively meet his wishes with regard to men enlisted in the Royal Navy.

Mr. GREEN: Will the minister see whether some steps can be taken to protect in this respect Canadians who are enlisted in the British navy or serving on converted British armed merchantman? It really is not fair that they should be paid at British rather than Canadian rates.

Mr. POWER: As a former Minister of Pensions, I have such a lively recollection of the headaches that I had with respect to those who served in the last war in other than the Canadian forces, that I am willing to do anything to avoid headaches for the Minister of Pensions twenty years hence. I shall be only too glad to take into consideration what my hon. friend has said.

Mr. MacNICOL: If an officer enrols in the regular naval service at, say, Halifax, and is then ordered to go to the west coast, where he remains during the war, is he entitled to move his family out there at the public expense? I think he should be. I have in mind the case of a man in the naval service who was ordered from one coast to the other, at which time he had to pay the expense of moving his family. I am convinced that the government should assume the expense of moving an officer's family from one coast to the other.

Mr. POWER: That matter has received the consideration of the government. Under the permanent force pay and allowance regulations, with which doubtless my hon. friend is familiar, when there was a removal or change or transfer the officer had the right to receive the costs of moving his family and furniture. At the moment these regulations are being amended and the question of removal or transfer is still under consideration.

Mr. MacNICOL: What I had in mind was an officer being ordered from one coast to the other. His family followed him but the officer had to pay the expenses. I understand that the department intends to reverse that situation and to make allowance for the moving expenses of the officer's family.

Mr. POWER: That is under consideration by the pay and allowance board.

Mr. HANSON (York-Sunbury): I should think there would be no question about it. The same thing applies in the civil departments of the government. Under the Department of Trade and Commerce men are frequently moved from one station to another and the department pays all their moving expenses. I used to notice that they did themselves pretty well, because they stayed at the best hotels, and sometimes we saved the country a few dollars—not much—by lopping off what we thought were unnecessary expenses. This should apply without question to officers, and I do not see why it should not apply to petty officers, who cannot stand the cost of removal nearly as well as the others. I commend the suggestion to my hon. friend.

Mr. POWER: That is all laid down in the pay and allowance regulations.

Mr. CHURCH: At the last session of parliament when the estimates were before the committee I drew attention to these very matters that are now being discussed, and I spoke particularly about uniform rates of pay for all the services. It is true that this bill is more or less disciplinary in some respects, but I should like to draw attention to a return made last February with regard to the particular matters that come under this bill. The subject matter of this bill appeared before the house in some form or other last session and I discussed it then. Canada, as the return to the order of the house I moved for shows, has a navy, and when the former minister made this return—and he was an active minister; he got something done—it was announced that early in the year 1939 the ships of the Canadian navy according to the return, went on a goodwill tour through the West Indies, through the Panama canal and on to British Columbia, a sort of show navy. That return to an order of the house, which covered some points mentioned in this debate, showed the ratings of the officers and men and I fail to see how the navy has been since much increased. Recently some naval colleges were opened in Kingston and other places, but there is nothing to show that it has been increased.

As I said last session, we owe everything we have to the mother country, and it takes a war to show us exactly what we have in the way of freedom, and the debt we owe to the royal navy. Many of our boys had to cross

the ocean on cattle boats to join the navy, though there are in the public schools of all the provinces many youths who would like to be in the navy and merchant marine because we are a nautical people, and excel in aquatic sports, rowing, canoeing, and boating of all kinds. With the magnificent inland waterways that we possess, Canada has not done its duty to the motherland so far as this arm of the service is concerned. At the shipping conference during the imperial conference in 1917, this whole question was under discussion. The question was asked, where is Canada? It was shown at that conference that there were 2,000 less merchant ships to carry food to Britain than there were in 1914. The report of that conference dealt with all the dominions and Canada's contribution to that arm of the service and it showed the dreadful menace of the submarine in the last war. For every four boats of the British merchant marine going out there was one that did not get back, so that in 1917 the British people were nearly starved out. In my opinion these recruiting offices should be opened all over Canada for this branch of the service. As I said last session, in the past five or ten years Canada should have trained 10,000 cadets for the merchant marine and British navy. Canada held aloof at the 1937 empire shipping conference although it was known that the disaster of war would overtake us from the commitments Britain had given. When asked to help in the empire shipping scheme in 1937 Canada turned a deaf ear, as it did in the matter of empire air training. Canada did nothing at the shipping conference to help the mother country then, or at the imperial conference, though we all know quite well that we owe to the royal navy everything worth while that we have in the way of freedom.

One word more. Why should there not be equality in pay for all branches of the service? This is a question which should be fully discussed, and I had hoped that the government would take the responsibility of holding one or two private sessions at which these inequalities, in regard to dependency money and other matters of the same sort, might be cleared up.

Mr. POWER: Knowing my hon. friend as well as I do I would hesitate to ascribe to him any desire to make a slighting reference to the Royal Canadian Navy, as he would appear to have done in speaking of it as a show navy. I want to assure him and the committee that if he really meant it in the sense that the Canadian navy was not at this juncture doing its duty, I would resent it emphatically and strongly. Perhaps he was referring to some of his previous speeches in former years, but I wish to assure him that the Royal Canadian Navy is now doing work of which every member of this house and every person in Canada ought to be proud. It is carrying on convoy work, anti-submarine work and rendering the most valuable assistance to the common cause, and every man in the navy is doing his duty as well as the members of any other force in the country.

Mr. ROSS (St. Paul's): Will these people come under and be subject to the rates of pay and allowances of the naval services?

Mr. POWER: I think this bill is scarcely the appropriate occasion on which to discuss the rates of pay and allowances of the navy and compare them with other forces. I am not familiar with all the details of the pay and allowance regulations. I am however under the impression that there has been an adjustment all the way round. It is not possible to say that every man who serves below the rank of officer shall get $1 or $1.50 or $1.75, and that every man who is an officer of a certain rank shall get the same rate. These rates must be adjusted according to the work being done—not by each individual, perhaps; but the categories in the navy are much wider and more varied than in the army. These pay and allowance regulations were worked out with considerable care by the officers of the navy and army and air force—a committee was formed of the three services in order that there might be some equality and similarity. We are endeavouring to adjust the matter to the satisfaction of all the services, and I think in a measure we shall succeed.

Mr. STIRLING: The minister is referring to allowances, is he?

Mr. POWER: Pay, allowances and all the rest.

Mr. ROSS (St. Paul's): What I was after was not how much the pay and allowances were but whether a man when he comes under this legislation is subject to pay and allowances.

Mr. POWER: This measure would have no effect at all on the financial terms of his engagement—simply the discipline.

Mr. CHURCH: The minister's remarks were quite uncalled for. I did not attack the men of the navy. What I attacked was the government, for not having done its duty in 1937 at the imperial conference to the men in the navy. The estimates were pared until they were ridiculous for a country of this size, depending as it was on the mother

country for all our maritime freedom. I have done as much for the men of that service as the minister. I call the attention of the minister to the fact that this government in the session of 1937 announced in the house a purely pacific policy of neutrality at the coast regarding this branch. What was that policy? It was the policy that Canada would spend money on the Pacific on a navy to protect our neutrality, and when they were asked against whom they were to protect it, the reply was that they were to protect the United States, to protect the border and protect Canada from being invaded by a foreign foe seeking to attack America along the Pacific. From Puget sound six hundred miles to the Queen Charlotte islands and the mainland, money was spent. That was in 1937, and I happened to be the only member who protested in this house against that policy, because it did not link up with the British fleet; it was dependent on protection of our neutrality and giving Washington protection, not the people of this country.

As a result of the 1937 expenditure of that money what have we in the Atlantic to-day? We have no real protection there, or on the Pacific, except the British fleet.

Mr. POWER: May I interrupt the hon. member right there? He intimated a moment ago that I was putting words in his mouth that he did not utter. He is now telling us that this navy does not protect the Canadian coasts in any way. I resent that statement. This navy is doing the work of protecting the Canadian coasts. I want him to hear me and understand that.

Mr. CHURCH: The minister can make his own speech when I am through. He was one of the persons who supported that policy of depending on the United States fleet to protect our shores. Then when they got this money spent under their 1937 policy on Puget sound and six hundred miles up to Queen Charlotte islands what happened? They found that the idea that the United States would not stand idly by, that they would protect our neutrality, would quarantine the dictators, was all a myth; that the United States were back to the old policy of their first president that of neutrality unless attacked. We had all that work on the Pacific and no air force to back it up. What I have been urging in this house for the past ten years is for Canada to do its duty to the mother country and maritime freedom. This party has traditionally supported that policy of cooperation and coordination with the mother country for maritime freedom.

What is the minister doing about our merchant marine? Does it come under this bill? Canada's maritime fleet consists mainly of merchant ships. It was all very well to buy a couple of destroyers in the last year or two; one of them was called the Lord Kempenfeldt, a celebrated naval name, but immediately it got to Canada someone out on the prairies thought that the name should be changed and it should be named after his constituency, *Assiniboine*; yet they say it is not a political navy. It has been, but not through the fault of the officers or men. This matter has been discussed in 1937 in the house; it was discussed with a good deal of humour by some hon. gentlemen then who are now standing up for a Royal Canadian navy. I have stood for them and for maritime freedom and a proper contribution by the people of this country since I entered the house in 1921, and will continue to do so.

Mr. ADAMSON: Having been one of those to experience the Halifax disaster in the last war I should like to know whether the pilots going in and out of Halifax harbour are subjected to naval discipline. In the last war the hospital ship *Letitia* ran aground, and I do not think it was ever quite satisfactorily settled why the *Mont Blanc* and the Belgian relief ship, the *Imo,* ran into each other. I know there was some talk that the pilots had been in some way negligent, and ugly rumours were going round. I wonder if the matter to which I refer has been given attention by the ministry. I suggest to the minister that the entire district of Halifax harbour, which in this war is of even greater importance than it was in the last, be put completely under naval jurisdiction. I suggest also that a force be recruited of naval ratings—a naval regiment, if you like—to have complete control not merely of the naval dock yard but of all the district around Bedford basin and Dartmouth and the other side of Halifax.

Mr. POWER: The navy is in complete control of Halifax harbour and all our seaports. There is naval control of all shipping entering or leaving certain ports of Canada, and Halifax is one of them.

Mr. ISNOR: Does this cover a case we had in December, 1917, at the time of the explosion referred to by the hon. member? The crew of a certain ship had been taken over on the morning of the explosion but were not registered. One of the crew lost his leg. He applied for compensation but his claim was not recognized on account of the fact that his name was not enrolled in the navy. The former minister of national defence is no doubt familiar with the case. I endeavoured to have a pension paid to this man but the question

was raised whether or not it was a war casualty and pension was not given. Does this bill cover such a case?

Mr. POWER: Perhaps some of the difficulties with respect to compensation mentioned in the explanatory notes refer to those arising out of the case to which my hon. friend refers. I think it was found impossible, either under the Militia Pension Act or under the Pensions Act itself, to make an award in that case. Of course the purpose of this bill is not to make any retroactive provision; this is to deal with what may happen in the future.

Mr. ISNOR: That may be so, but if a boat was taken over by the naval forces in Halifax and the crew were not properly registered, would they come under the provisions of this bill?

Mr. POWER: Only yesterday the Minister of Finance said he did not think ministers of the crown or those in charge of bills should give interpretations as to their legal effects, and I believe that is good advice to follow. Offhand I would think that the object of the bill would be to cover cases analogous to the one my hon. friend has mentioned, but I should not like those words to be quoted in a law court as being the opinion of a former member of the bar.

Mr. ISNOR: I quite appreciate that neither the Minister of National Defence for Air nor the Minister of Finance would care to give a legal opinion, but I am concerned as to future acts such as I have mentioned. In Halifax we have practically a state of war which I do not think is appreciated by a great many people in other parts of Canada, and it is because of my concern for what may happen that I am anxious to have provision made in this or some other bill for the protection to which I think the seafaring man operating in and around the port of Halifax is entitled. That is my interest, and if it is not covered now I think some provision should be inserted in the bill to protect these men.

Section agreed to.

Bill reported, read the third time and passed.

MILITIA PENSION ACT

PERMANENT FORCE NAVAL OFFICERS TO BENEFIT IN RESPECT OF ONE-HALF OF PREVIOUS NON-PERMANENT SERVICE

Hon. C. G. POWER (Minister of National Defence for Air) moved the second reading of Bill No. 3, to amend the Militia Pension Act.

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

On section 1—Period of service in Royal Canadian Naval Reserve or Volunteer Reserve for computing pension.

Mr. STIRLING: I understand that the purpose of this bill is to put an officer of the permanent naval force on exactly the same footing as an officer of the permanent militia and air forces, and that it is simply and solely for that purpose?

Mr. POWER: Absolutely; for no other reason.

Mr. MacINNIS: I may be exposing my ignorance in asking this question, but I notice that this amendment has reference to officers only. I should like to know if there are any men serving in these capacities; if they are subject to pension, and if not why not.

Mr. POWER: I know there is a long service pension with regard to the men of the navy as well as the men of the army and air force, but as to the basis or time of service upon which pension is computed, at the moment I am unable to say. However, I shall be only too glad to look into the matter.

Section agreed to.

Bill reported, read the third time and passed.

ROYAL CANADIAN AIR FORCE

PROVISIONS AS TO CONSTITUTION AND GOVERNMENT, RELATIONS WITH OTHER FORCES AND WITH CIVIL AUTHORITIES

Hon. C. G. POWER (Minister of National Defence for Air) moved the second reading of Bill No. 5, respecting the Royal Canadian Air Force.

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

On section 1—Short title.

Mr. POWER: Perhaps I had better say a word with respect to this bill. There is nothing new in it at all. It simply purports to set up the Royal Canadian Air Force as such. Up to the present the Royal Canadian Air Force has operated under the Aeronautics Act, revised statutes of Canada, chapter 3, section 4. Under that act, which also deals with civil aviation and with matters relating to aviation generally, the Minister of National Defence is empowered to make regulations with respect to the authorization, discipline, efficiency and good government generally of officers and men employed in the air force.

On the strength of that the Royal Canadian Air Force as we have it at present was built up. But even before there was any question of providing for a separate department of national defence for air it was thought advisable to have an act which would govern the Royal Canadian Air Force. This bill in almost every respect is similar to the Militia Act and the Naval Act.

Section agreed to.

On section 2—definitions.

Mr. STIRLING: Paragraph (d) provides:

"Minister" means the Minister of National Defence.

I was wondering if it would not be better to use the wording in paragraph (c) of Bill No. 15.

Mr. POWER: Bill No. 15 amends the Department of National Defence Act. The Royal Canadian Air Force Act was studied in conjunction with the amendment to the Department of National Defence Act which set up the Department of National Defence for Air. The definition of "minister" is as follows:

"Minister" means the Minister of National Defence unless under the provisions of this act a minister of National Defence for Air has been appointed, in which case "minister" means the Minister of National Defence or the minister of National Defence for Air acting as in this act provided.

It goes on in another section to provide that when the act relates to matters regarding air, the Minister of National Defence for Air has exclusive jurisdiction. Otherwise I suggest to my hon. friend that you might take away from the purely temporary war-time character of the position of the Minister of National Defence for Air. After all it is a war-time ministry. The Royal Canadian Air Force will be in existence for many years to come, and if we can with the least possible disturbance to existing statutes have a minister carry on the functions of minister for air I think it would be better draftsmanship so to provide.

Mr. HOMUTH: The air training school in the city of Galt comes under the youth training scheme. Does that school in any way come under the Minister of National Defence for Air?

Mr. POWER: I cannot be quite sure of my reply, but subject to further checking I would say that the school in Galt is under the provincial department of labour. Under the empire air training scheme the Minister of National Defence for Air through his department pays on a per capita basis certain subsidies for the preliminary training of certain students at the Galt school, but there is no federal control, either administrative or executive, over that school.

Mr. HOMUTH: I understand that at the beginning of this week it was decided that the capacity of this school should be doubled. It has been doing wonderful work; of all the youth training schemes in the country this school has certainly proved to be a real asset in this crisis. A great many of its boy students have gone out to various aircraft factories, and I think some of them are now at the Manning school in Toronto. Could not a little more effort be made along that line? Certainly it has been a wonderful thing for the empire training scheme.

Mr. POWER: My attention was drawn to the item in the newspapers to which my hon. friend refers, and I mentioned it to some of the officers in the air force. They expressed their satisfaction that there was to be an extension of the work carried on by that school.

Mr. MARTIN: The minister has already stated that as a result of the events of the last few days there will be an acceleration of the whole air programme. Prior to his becoming minister for air the department announced that under the air training programme the Windsor airport would not be used until some time in September. It struck me that even under normal circumstances that would be undue delay. In view of recent events can the minister say to the house now that in the acceleration of the programme use will be made of the Windsor airport at once, or within the next few weeks, instead of in September next? May I have an answer?

Mr. POWER: I was not quite sure that the hon. member wanted an answer.

Mr. ROWE: What does the minister think he wanted?

Mr. MARTIN: Like hon. gentlemen opposite, I always expect an answer.

Mr. POWER: I am endeavouring to put through a measure constituting the Royal Canadian Air Force. It deals with it as a cohesive body and with its administration, the powers and duties of the officers and men, and so forth. It is a long way from the empire air training scheme, although the Royal Canadian Air Force is the administrator of that scheme. I have not brought with me all the information which would permit me to answer questions with respect to the developments which are to take place under the air training scheme. That would open a very broad subject indeed. While I have no

objection to that being done, and I can perhaps give some information to my hon. friend at some other time, to give such information now would delay the passage of this bill, which is not at all related to that development.

Mr. MARTIN: I appreciate that point, and I do not want to delay the bill. Perhaps my question will cause due expedition in the department.

Mr. POWER: Correct.

Mr. ADAMSON: Paragraph (c) of section 2 says:

"Emergency" means war, invasion, riot or insurrection, real or apprehended.

The militia may be called out, I understand, to give aid to the civil authority. Would the same machinery be used if the air force were needed to give aid to the civil power?

Mr. POWER: That is explained by section 9.

Mr. HANSON (York-Sunbury): I do not wish to delay this bill. I understand its purport and I approve its principle. As I see it, the air people want a bill of their own; they do not want to have an inferiority complex.

Mr. POWER: They have a minister and they want a bill too.

Mr. HANSON (York-Sunbury): With respect to the question raised by the hon. member for Essex East (Mr. Martin), it is inevitable that information should be sought from time to time, but I do not know whether the debate on this bill is the proper place. I should like to ask a few questions with respect to air training activities in New Brunswick, and if it is not convenient for the minister to answer them now, perhaps he will do so later.

An announcement was made in the New Brunswick papers on Monday morning, from the office of the premier of New Brunswick—I do not quite understand just why that medium was used, unless the air force is being utilized for the spreading of political propaganda—that there would be established three new airports for use in the empire training scheme. It was stated that landing fields would be located at Chatham in Northumberland county and at Scoudouc and Salisbury in Westmorland county. The statement which issued from the premier's office declared:

The premier has been informed that the Chatham airport has been approved by the Royal Canadian Air Force and the specifications will shortly be completed for this work. This also applies to the Scoudouc and Salisbury fields.

The airports to be built at Scoudouc and Salisbury undoubtedly will form part of an air training unit to be centered at Moncton. Under plans formulated at Ottawa, it is understood that each training unit will consist of a main port (in case of Moncton) and two subsidiary airports (Scoudouc and Salisbury).

I should like to know just what is the position with relation to New Brunswick and what is intended to be done at Scoudouc and Salisbury, as well as at Chatham. I do not expect an answer now and my remarks may be taken as notice.

In 1933 an emergency landing field was constructed at Blissville, in one of the counties which I have the honour to represent. This field would be ideal for air training purposes, and I am wondering why the officers of the department have not utilized it. The country there is quite level and the landing field was prepared at very little expense. It is located on the main line of the Canadian Pacific and a station has been built there. The present field could be extended for another mile or two at a minimum of expense.

I do not know much about the locations at Scoudouc and Salisbury. They are contiguous to Moncton, and we have all generally recognized that Moncton will be an air training centre because of the commitments that have been made. It is one of the termini of the Trans-Canada Air Lines. I understand the field has been taken over by the government and it is planned to make substantial expenditures. I ask the minister to give consideration to the utilization of the Blissville air field, which is ideally located and which can be operated or extended at less expense than any other site in New Brunswick.

Mr. POWER: All I can say with reference to the Blissville field is that I will draw the attention of the technical officers of the department to the remarks of my hon. friend. I should like to say now to every hon. member who may have a recommendation to make with respect to any field in his constituency that the matter will be referred to the technical officers. I personally do not know why one field should be better than another and if the technical officers of the department prefer one place to another, I think it is my duty to back them up.

With regard to information given to the press, I am sure my hon. friend will appreciate that in the short time I have been in office I have not had time to set up a publicity or public relations agency. I have asked the officers of the department to give such information as they are free to give to any person who asks for it and who has some authority. If my hon. friend were to ask me what progress is being made in connection

with any particular air field, I would pass his request on to the officer in charge of that particular work. If the work had advanced to a point where he could make a definite statement, he would make it. In this particular instance, I take it that the premier of New Brunswick or someone on his behalf inquired as to what air fields were to be developed in the province and that the project had reached the stage where they could be specific in the information given to the premier.

I have received many inquiries from members of parliament, all of which have been handed over to the proper officers. I understand the custom has been not to give out information until either a contract has been let or it is definitely decided that tenders will be called for. I believe that is the practice. If it is, it is a good one.

Mr. HANSON (York-Sunbury): He is simply trying to get some political kudos.

Mr. POWER: Is the hon. gentleman referring to me?

Mr. HANSON (York-Sunbury): To the premier of New Brunswick.

Mr. BROOKS: Taking advantage of the suggestion made by the minister in connection with recommendations for air fields, I should like to say that a few years ago considerable work was done on a number of air fields in New Brunswick. I refer particularly to the field at Havelock, just a few miles from Salisbury, which has been referred to already. At one time that field was well developed, but to-day it is just covered with bushes. The money spent has been simply wasted. It would take only a minute or two to fly from Salisbury to Havelock, and I cannot understand why a new field should be developed at Salisbury when this other field was available. I understand the same thing is true of the field at Cambridge.

I just wanted to call the attention of the minister to these fields which are already constructed. If time is of the essence in the development of our air force, some consideration should be given to work which has been done already on certain fields. I am well acquainted with the field referred to by the leader of the opposition at Blissville and I can only second what he has so well stated. During the last two or three sessions there has been considerable discussion about the establishment of air fields, and it seemed strange to me that when vast sums of money were being spent for the development of military air fields in the maritime provinces, all four fields that were developed should be in Nova Scotia. At that time the statement was made that air fields were being developed for the defence of our focal points. I contended then as I contend now, that Saint John is one of the great eastern harbours of Canada, and if air defence is needed for focal points an air field should be selected somewhere near Saint John, New Brunswick. At that time I suggested that the military air field at Sussex, where the defence department has spent a great deal of money in extending its area, should have been used for that purpose. I may say in connection with that air field that I hope the defence department will, in future, make more use of the facilities they have there than they have done since the war started, and more than is indicated at the present time, for training purposes this summer. I have simply taken advantage of the suggestion of the minister to call these matters to his attention.

Mr. CHURCH: Under this bill the minister is taking over the control of administration of the Royal Canadian Air Force. It will be noticed that section 2 is the most important section in the bill, because if that passes there is very little else to be said. It deals with interpretations. So far as these interpretations go, they reproduce the exact text of the Militia Act, and in the Naval Services Act the very words used are applicable to air services. In this interpretation section the words "air force works", "airman", "emergency", "minister" and "officer" are defined.

As I see it, under this bill no one but a British subject can belong to the Royal Canadian Air Force. During the great war numbers of men were trained for the air force at Toronto and in various camps. It was claimed that the number trained was 16,000 or 18,000, depending no doubt upon how one classes the 3,000 or 4,000 workmen and mechanics. At that time 4,000 or 5,000 men applied and came over from the United States, a great number of them from American colleges, and applied to enlist in the air force. In the winter, by arrangement between the governments and the munitions boards of Canada and the British empire, a camp was established at Fort Worth, Texas, where it was thought advisable to train because of climatic conditions. At that time—1917—of course the United States had come into the war. At the present time the United States is not in the war; it is a neutral, not an ally; but under the definition as it appears in the Militia Act and the Naval Services Act it would appear that one has to be a British subject in order to join the present Royal Canadian Air Force and that Americans are not eligible.

Another point is this. "Air force works" is described as also including aerodromes

hangars, air harbours and barracks. During the great war the British munitions board and the air force took over, sometimes by compulsion, a great many useful and good public buildings. During June and July, in the first months of conscription in Great Britain, what did the government do regarding the young people who were joining the air force? They were coming out of civilian pursuits; they were untrained and unused to hardship. The regulars were coming home from Asia Minor, Egypt and other places abroad. To aid recruiting, the British government gave the best quarters to these new recruits to the air force of the conscript army; of course, as the conscientious objectors numbered only one per cent, practically all the recruits enlisted eagerly and almost voluntarily. What I would urge upon the minister in this connection is that dilapidated stables are not suitable quarters to-day to house our recruits for air training. As I said the other day, in paying a compliment to the minister, I believe he has the vigour and the energy to get things done, with the aid of the splendid air vice-marshal who is with him to-day. What I urge is that these young people who are coming from civilian occupations should be given as good treatment as the British government gave to its new recruits. When the regulars came home to the old country, they began to object. They said, "We are regulars; we have been serving in Egypt and other places abroad; why should we be turned out and put in tents while the men of the air force are given the best barracks?" But the principle was to make recruiting a success.

In connection with another clause of the bill, I think it is a mistake that the government should go to work and take over various buildings when others are available. During the war the city, the university and the Toronto school board, which has recently again offered a school building for training purposes, granted the use of the best buildings they had, and the school and the university gave the school of science and three or four other schools. The government had the use of Hart house, all the buildings round the university. No. 4 school of military aeronautics was at Victoria college and was given to the air force. Other properties also were gladly made available, and are now again offered by the municipality. Why, therefore, take over a lot of stables?

The other day, passing by Eglinton barracks, I saw 160 men who are in training there. I am not criticizing them; they have a good officer commanding; but I think it is a great mistake, when some of their parents come to town, to have a few of them working on the city dump. No doubt it is necessary to detail five or six of them for cleaning up the yards. The government should go to work and commandeer, where necessary, good air force buildings all over Canada, including buildings for hospitals.

I think there is a little too much rigour in connection with some of the training. If one may believe what appears in last week's *Saturday Night,* the new recruit is severely penalized for a moment's loss of time. As there is very little transportation near some camps it is not always easy to report on time, and I do not think the new recruits should be given some of these penalties, which in fact are illegal at the present time, and will be until we pass section 2. Our new recruits who are coming up voluntarily should receive equitable treatment as in England and the officers in charge should see to it that recruiting is not injured by any mistake of this or that junior officer.

Under paragraph (h) "prescribed" is defined as giving the governor in council prescribing power, and paragraph (i) defines "regulation" as meaning "a regulation made by the governor in council under the authority of this act." That is a pretty broad clause, and I am doubtful if the government should have that power.

As far as the camps are concerned, it seems to me that under the present arrangements they are too far away from the cities and towns. In the last war we had Leaside, Beamsville, Camp Borden, Armour Heights, No. 4 School, Trenton camp, and other places. I believe that the closer they are located to centres of population, the better. The city of Toronto has spent a million dollars on an airport over at Hanlon's Point. That field is empty to-day, and it could be obtained, I believe, by cooperation with the city and the government. Malton airport has been handed over.

I see nothing in the bill to take care of the cadet and technical services in the high schools. Last Sunday evening I saw at a service at St. Paul's church, Toronto, conducted by Air Chaplain Bishop Renison some 2,000 cadets, royal air force trainees, public school cadets and sea cadets, and others who are willing to come along when they are needed. The cadet feature of this work should not be neglected.

I do not wish to delay the passing of the bill. I have every confidence in the minister. Everybody wants to give him cooperation, the maximum of unity and very little criticism. I consider that the government is to be complimented upon the very fine body of headquarters officers and other officers. Throughout the Royal Canadian Air Force I have heard nothing but expressions of the utmost

confidence in the military officials, and everybody wants to see this important branch of the service developed rapidly in Canada.

Mr. PERLEY: The minister seems to be in a genial or susceptible frame of mind this afternoon, and has evidently accepted some of the suggestions on the part of hon. members from New Brunswick who are making pleas for the development of air fields. I am just going to make a plea and I hope the minister will pass it on to his officials. In other sessions, on projects of this kind and on public works generally, I have had to speak for the whole of Saskatchewan. Members from that province were a little backward in coming forward, and that is practically the case to-day. However, I have one good associate and the committee will probably hear from him later. Speaking for my own constituency, I would point out that we have two air fields one of which has had considerable development. It is near the town of Broadview. The runways have been constructed and it is in a wide open space. The other one is near the town of Moosomin. Both these air fields are in line with the Trans-Canada airways and I should like the minister to consider their further development. The one at Broadview is particularly well adapted to such development and I am sure that in the air training scheme both these could be made use of. In both towns there are good armouries and facilities of every kind for training members of the air force. I trust the minister will consider this matter.

Mr. MacNICOL: Now that the various ministers are assuring us that political considerations are altogether divorced from any matter pertaining particularly to war administration, will the minister try to persuade his associates to come back to the question of building a tunnel to the airport on Toronto island? It is one of the best airports on the continent, or will be when completed, and as the tunnel to the island was killed by politics on the part of our friends opposite, it should be possible to have the work done if political considerations are eliminated.

Mr. MARTIN: At a time like this, when the country should conserve its energies, the suggestion of the hon. member for Davenport is surely out of the question. The distinguished gentleman who sits immediately in front of him, and others, would repudiate that suggestion at this time, I should think.

Section agreed to.

Sections 3 to 5 inclusive agreed to.

On section 6—Persons subject to the act.

Mr. HANSON (York-Sunbury): I have not had a chance to check this. The marginal note says, "See sections 69 (2) and 70 of the Militia Act." I assume that they are similar, allowing for the necessary changes.

Mr. POWER: The judge advocate general informs me that they are exactly the same in principle, although the form has in some instances been changed.

Section agreed to.

Sections 7 and 8 agreed to.

On section 9—Aid to civil power.

Mr. STIRLING: Am I right in taking this to mean that if it is necessary to call out the air force for this purpose they cannot be called out unless the militia has been called out?

Mr. POWER: The militia must first be called out before the air force can be utilized, and that stands to reason. Apart from exceptional circumstances there would not be a large number of airmen available to do the kind of duty that would be required in aid of the civil power.

Mr. CHURCH: I should like to know whether a home guard of the old Royal Air Force could not be utilized.

Mr. POWER: Formerly they had no separate existence; the members of the air force were a part of the army. Now they are proud to say that they have a separate entity.

Mr. HANSON (York-Sunbury): With respect to the question which my colleague asked a few minutes ago, I quite agree with the construction which the minister has placed upon the section, but I am not at all sure that I agree that the object is wholly desirable. As he pointed out to me in the course of discussion over this section, there might be times when the air force was the only military force that would be available quickly in a given emergency, and they could act very much more quickly than the militia. In British Columbia, for instance, there are no military units located in the interior, which may be several hundred miles from the coast where there are military units; it would take a long time to get the militia to a given point, whereas if the air force were available it could be done in a matter of hours and perhaps less. I suggest that consideration be given to the question of placing the air force in exactly the same position as the militia. There is of course a well understood programme or mode of procedure which is followed prior to the calling out of the militia. There must be a form of requisition from the civil authority, and so on and so forth. I recall a case in Nova Scotia some years ago

where litigation resulted. The dominion government tried to collect and failed, did they not?

Mr. POWER: They waived their claim.

Mr. HANSON (York-Sunbury): No, I think it went to the courts.

Mr. POWER: I am now informed that it went to the supreme court. The federal government did not succeed in their claim.

Mr. HANSON (York-Sunbury): I do not recall the exact circumstances, but that is neither here nor there. I think there is something in my associate's suggestion and perhaps the minister will give it some further consideration. So far as I am concerned, it is not important enough to delay the bill.

Mr. POWER: I brought up a similar objection about a month ago when I first looked at the bill. I was then acting as Minister of National Defence and the answer I received was that it was not really the function of the air force to act as militia men. They do not habitually drill with rifles, bayonets and that sort of thing. They are a technical force, and in any case the officer commanding the military district could readily overcome any objection by going through the form of calling out the militia. He could call out a squad or company or platoon and if he did not have enough men he could call on the air force. But the advantage of the air force is that its planes and equipment would be at the service of the officer commanding the district to transport troops where required, if any civil commotion arose.

Mr. HOMUTH: Could he do it legally under this clause?

Mr. POWER: Yes. Probably he could do it in any event without this clause.

Section agreed to.

Sections 10 and 11 agreed to.

On section 12—Liability for air force offences.

Mr. HANSON (York-Sunbury): As a matter of information, not having had time to look up section 71 of the Militia Act, what is the penalty in that act for desertion?

Mr. POWER: The Militia Act does not seem to provide a penalty except in case of absence for over seven days. Section 72 reads:

> 72. Every member of the militia called out for active service who absents himself without leave from his corps, for a longer period than seven days, may be tried by court martial as a deserter.

Under the British Air Force Act desertion on active service is punishable by penal servitude. Our regulations contain the same provision.

Mr. HANSON (York-Sunbury): Not death.

Section agreed to.

Sections 13 and 14 agreed to.

On section 15—Air force property in his majesty.

Mr. HOMUTH: Are these air fields that are being developed in cooperation with the municipalities vested in the crown, or is there joint ownership?

Mr. POWER: I think they are held in the name of the crown. The property is purchased by the crown in the right of the government of Canada, and the contribution—

Mr. HOMUTH: It is just a contribution; they have no ownership in it?

Mr. POWER: No, there is no ownership.

Mr. HOMUTH: It is generally considered that when the war is over these air fields that are being developed will serve for commercial purposes.

Mr. POWER: I hope so.

Mr. HOMUTH: If that is so, then apparently commercial flying in this country will be under the control of the government.

Mr. POWER: The government now has some control in the matter of regulations for civil aviation. As my hon. friend knows, the government is the owner through shareholdings of Trans-Canada Air Lines. I have not looked forward far enough to know whether these fields now being developed for the commonwealth air training plan will be handed over to Trans-Canada Air Lines or what will become of them. I am trying to get them built first.

Mr. HILL: The minister's department has overlooked the finest site for an airport and training school that there is in the maritime provinces. I speak from twenty-five years' experience in engineering. There is a site at Pennfield, four miles square, sixteen square miles, from which he can select a site. This is a natural landing field, a high gravel plateau three to four hundred feet above sea level; on three sides it drops off towards the sea and on the other side there is a small elevation, rising gradually, so that there would be no interference with planes taking off. There is fifteen to twenty-five feet of gravel drainage. A field can be built on this site for twenty-five per cent of the cost of any other field that is being built in the maritimes, and can be maintained for ten per cent of the cost of maintenance of any other field. Why

it is being overlooked I do not know. It is the field on which Mollinson made his emergency landing after flying across the Atlantic, and he landed without a break-up. The site has road connection to a paved highway. It has railway and hydro connection; it has everything for cheap development. It can be built and put in operation in less than four months and at very small cost; on that I will stake my reputation as an engineer.

It has been stated to me by the minister's department that two other fields were necessary as emergency landing fields. One is already constructed and has been in use for two years at Blissville, 35 miles away; another at Brockway 30 miles away has one runway constructed, the work having been done under the relief plan in 1934. The other runway can be constructed very cheaply. If the department want to get into operation at an early day this is the proper site. A field can be constructed here cheaply, and at very little extra cost can be enlarged to any size required for training purposes. Two emergency landing fields are already practically provided. Some of your other fields will not be finished within the next five months, although they have been under construction for at least two years.

Section agreed to.

Mr. CHURCH: By leave of the committee may I ask one question on section 14? This section provides for commitment to the common gaol or other lawful prison or place of confinement, up to a period of two years. My objection is that some of the county gaols in the provinces have been declared by grand juries to be unfit for human habitation, and some are unused. If they are not fit for civilians they certainly are not fit places in which to confine members of the Royal Canadian Air Force for minor breaches of regulations. During the great war the general officer commanding No. 2 district asked the city of Toronto for leave to use an unused wing of the old Tombs gaol. It was built about the time of confederation, and the wing had been closed for a number of years, having been condemned by the health officer. The city refused its use on the ground that if it was not fit for civilians it was not fit for men who were risking their lives in the war. That may be all right for some soldiers, but the vast majority of the offences covered by the interpretation section might be described as minor, as they would be under the code. I do not think it is in the interests of recruiting that this provision should be in the bill. I wish to protest against it, even though I may be the only member doing so, because I have seen its operation in practice and the injury it has done to recruiting and to discipline. During the last war it was condemned by almost every newspaper. Dilapidated buildings which were not fit for civilians were good enough for soldiers, and the same thing applied to the unused Gerrard Street hospital, closed as not being good enough for civilians.

[Mr. Hill.]

Section agreed to.

Sections 17 and 18 agreed to.

Bill reported, read the third time and passed.

NATIONAL DEFENCE ACT

ADMINISTRATION OF SERVICE ESTATES TO BE REGULATED BY GOVERNOR IN COUNCIL

Hon. C. G. POWER (Minister of National Defence for Air) moved the second reading of Bill No. 4, to amend the Department of National Defence Act.

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

On section 1—Regulations respecting service estates.

Mr. STIRLING: In reading subsection 2, I wondered whether the wording was wide enough to take care, for instance, of mail which is actually in the process of being delivered to a person who dies before its delivery, and which would include property in the form of a parcel, a letter, or registered mail.

Mr. POWER: The judge advocate general informs me that once a parcel is placed in the mail, it becomes the property of the person to whom it is addressed and therefore forms part of his service estate.

Section 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

The house resumed from Tuesday, May 28, consideration in committee of the following resolution—Mr. Ralston—Mr. Vien in the chair:

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.

Mr. HANSON (York-Sunbury): Perhaps the minister would make some explanation of the resolution. In view of the fact that the estimates, totalling something like $448,000,000, have been tabled, if this is the ordinary resolution that precedes the voting of supply in the ordinary way I have been wondering just why it is necessary to ask for the whole sum of $750,000,000. I assume that the answer will be that this has to do with loans and refunding operations, but perhaps the minister will give us a succinct explanation.

Mr. RALSTON: My hon. friend is correct in his last assumption. This is not necessarily for the purpose of providing for more than the current estimates, but in order that we may be in a position to refund maturing loans, as an example, and for general purposes, as my hon. friend will see when the bill is brought down. I thought perhaps I might put on record the maturities in 1940 and 1941.

Mr. HANSON (York-Sunbury): I was going to ask for that.

Mr. RALSTON: The first maturity is on June 1, 1940; 1½ per cent, payable in Canada, amounting to $80,000,000, with annual interest charges of $1,200,000. That, I may say, is being refunded by a $65,000,000 issue which I mentioned last evening, which is being issued out of the $200,000,000 borrowing authority which was provided in last year's regular appropriation act. My hon. friend will remember that I said we still had power to borrow $135,000,000 under the authority of that act. That figure is arrived at by subtracting the $65,000,000 which is being issued in order to refund this loan of $80,000,000 to which I have referred, from the $200,000,000 provided for last year. As I intimated, that power under last year's regular appropriation act will expire when the bill founded on this resolution becomes law, because the new bill will contain a provision terminating that power. That is to say, they will not be running concurrently. Then on July 1 there is a maturity, payable in Canada of $33,293,470.85, 4 per cent, with an annual interest charge of $1,331,738.83.

Mr. HANSON (York-Sunbury): Would the minister state when these loans were issued, if he has that information?

Mr. RALSTON: I am afraid the particulars I have here do not give the dates of issue. The other maturities are as follows:

Date	Interest rate per cent	Amount	Annual interest charge
September 1, 1940 (Canada)	4½	$ 75,000,000	$3,375,000
March 15, 1941 (Canada)	1	45,000,000	450,000
May 1, 1941 (New York)	1¼	20,000,000	250,000
May 1, 1941 (Canada)	1	250,000,000	2,500,000
October 16, 1941 (Canada)	2	200,000,000	4,000,000
November 15, 1941 (Canada)	5	141,663,000	7,083,150

That goes to the end of 1941.

Mr. HANSON (York-Sunbury): What was the date of issue of the New York maturity?

Mr. RALSTON: I cannot tell my hon. friend but I will find out. The 1¼ per cent, May 1, 1941, New York payment of $20,000,000, annual interest charges, $250,000, is callable March 1, 1941. The May 1, 1941, 1 per cent issue of $250,000,000, is payable in Canada, and interest charges are $2,500,000. The October 16, 1941 issue payable in Canada is for $200,000,000, with annual interest charges of $4,000,000, and is callable October 16, 1940. The November 15, 1941—here is an old one—carries 5 per cent coupon and is payable in Canada; the amount is $141,663,000, and interest charges are $7,083,150. That brings us to the end of 1941.

Mr. HANSON (York-Sunbury): When was the New York maturity issued?

Mr. RALSTON: I cannot say offhand but I will find out. I am giving the committee the maturities of funded debt and treasury bills of the dominion as of May 15, 1940, maturing up to the end of 1941.

Mr. HOMUTH: What is the total of that?

Mr. RALSTON: About $850,000,000.

Mr. ROSS (St. Paul's): Which of those maturities are callable and which maturing?

Mr. RALSTON: The issue of May 1, 1¼ per cent, New York, is callable March 1, 1941.

Mr. ROSS (St. Paul's): What is the amount of that issue?

Mr. RALSTON: $20,000,000. Another callable issue is this maturity of October 16, 1941. This is a two per cent $200,000,000 issue callable October 16, 1940, one year in advance. I do not know whether I stated the actual date of maturity as compared with the call date of the New York payment. Its maturity date is May 1, 1941, and it is callable two months before, on March 1, 1941.

Mr. ROSS (St. Paul's): What was the total amount of all these issues?

Mr. RALSTON: I totaled them up quickly and made it about $850,000,000.

Mr. HANSON (York-Sunbury): I notice that the resolution authorizes the governor in council to use any portion of this amount for public works and general purposes. Is that language usual in resolutions of this sort? And what use is made of that provision? I always thought that in ordinary peace times, appropriations for public works appeared in the main estimates or in the supplementaries, which gave the house an opportunity to speak to them and debate them if desired, but this resolution would give power to the government, apart from war work, which is dealt with in the other bill, to deal with public works. The minister might tell me for my information and guidance, if nothing more, just what use is made of this power respecting public works and for general purposes.

Mr. RALSTON: I think that is intended to indicate one of the objects for which moneys may be borrowed to be put into the consolidated revenue fund. So far as public works are concerned, my hon. friend I think is perfectly right; the actual vote authorizing a public work has to be made by parliament.

Mr. HANSON (York-Sunbury): But it would be possible under this resolution to use some of this money for public works.

Mr. RALSTON: My hon. friend asked me whether this provision was usual. It is the same provision as that contained in previous bills.

Mr. HANSON (York-Sunbury): How long has this practice obtained? I do not recall it myself.

Mr. RALSTON: For three years, I think.

Mr. HANSON (York-Sunbury): You may be right.

Mr. ADAMSON: Last night, speaking of the aeroplanes stored at the Malton airport, I inadvertently stated that they had been awaiting acceptance by the government. Actually they had been accepted by the government some weeks and months before and the bombers were actually flown to the Malton airport. I just wished to make that correction of my statement of last night.

Mr. ROSS (St. Paul's): This resolution authorizes the raising of $750,000,000 out of the $850,000,000 which are either maturing or callable.

[Mr. Ralston.]

Mr. RALSTON: That is up to the end of the calendar year, 1941.

Mr. ROSS (St. Paul's): Could we not get something more definite as to that part of the resolution dealing with public works and general purposes? I understand, of course, that maturities have to be taken care of and that it is in the public interest to call certain loans. I have never liked the last words of this resolution, "for public works and general purposes". It seems to me that we ought to have more details of what the public works and general purposes are to be.

Mr. RALSTON: I think my hon. friend will find that that is the purpose of the loan, raising the money. It then gets into consolidated revenue. Then you have to get it out of consolidated revenue again. I do not think you can get it out under this statute for public works.

Mr. ROSS (St. Paul's): You get it into consolidated revenue under this resolution, but you cannot get it out?

Mr. RALSTON: That is right. You get it out for public works by vote.

Mr. MacINNIS: The government was given power last session to borrow $750,000,000. Has all that borrowing been done during the last year? If not, how much?

Mr. RALSTON: Would my hon friend like the list? Answering his question generally, the unused balance was exhausted by the issue of about $20,000,000 of war savings certificates a few days ago.

Mr. ROWE: I was out of the house when the resolution came up for consideration. May I ask how much of this $750,000,000 will be used for our general war expenditure?

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 Administrator, 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 Administrator had been pleased to give in His Majesty's name royal assent to the following bills:

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1941.

An Act for granting to His Majesty aid for National Defence and Security.

LOAN OF $750,000,000

TO MEET LOANS OR OBLIGATIONS, TO PURCHASE UNMATURED SECURITIES, AND FOR PUBLIC WORKS AND GENERAL PURPOSES

The house resumed consideration in committee of the following resolution—Mr. Ralston—Mr. Vien in the chair:

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.

Mr. RALSTON: If the committee will permit, I will put on record complete statements of the funded debt maturities in 1940 and 1941 as at May 15, 1940, and also of outstanding treasury bills. There are some points which I have not read in the statement I made with regard to unmatured funded debt and treasury bills. There is one London issue of $93,926,666.66 which is callable October 1, 1940, and due on October 1, 1960. I will put on record, if I may, the total of all issues except treasury bills, maturing or callable up to December 31, 1941. It is $938,883,137.51.

Mr. HANSON (York-Sunbury): They all appear in tabulated order?

Mr. RALSTON: Yes.

(The table follows):

As at May 15, 1940—

Unmatured funded debt and Treasury Bills of the Dominion of Canada, maturing up to December 31, 1941, and annual interest charges thereon:—

Date of maturity	Rate per cent	Where payable	Amount outstanding	Annual interest charges
1940—				
June 1	1½	Canada	$80,000,000 00	$1,200,000 00
July 1	4	Canada	33,293,470 85	1,331,738 83
September 1	4½	Canada	75,000,000 00	3,375,000 00
1941—				
March 15	1	Canada	45,000,000 00	450,000 00
May 1 (callable March 1, 1941)	1¼	New York	20,000,000 00	250,000 00
May 1	1	Canada	250,000,000 00	2,500,000 00
Oct. 16 (callable Oct. 16, 1940)	2	Canada	200,000,000 00	4,000,000 00
November 15	5	Canada	141,663,000 00	7,083,150 00
			$844,956,470 85	$20,189,888 83
There is also an issue which is callable October 1st, 1940, although it does not mature until October 1st, 1960. That issue carries a 4 per cent interest rate, is payable in London and the amount is			$93,926,666 66	
Including the above, the total of the issues (excluding Treasury Bills) which mature or are callable up to December 31, 1941, is			$938,883,137 51	

The Treasury Bills maturing in 1940 are:—

Date of maturity	Rate per cent	Where payable	Amount outstanding	Annual interest charges
1940—				
May 31	·739	Canada	$15,000,000 00	$110,850 00
May 31	·751	Canada	25,000,000 00	187,750 00
June 14	·739	Canada	15,000,000 00	110,850 00
June 14	·747	Canada	25,000,000 00	186,750 00
July 3	·739	Canada	10,000,000 00	73,900 00
July 3	·742	Canada	25,000,000 00	185,500 00
July 16	·739	Canada	10,000,000 00	73,900 00
July 16	·739	Canada	30,000,000 00	221,700 00
August 1	·739	Canada	10,000,000 00	73,900 00
August 1	·736	Canada	25,000,000 00	184,000 00
August 15	·738	Canada	40,000,000 00	295,200 00
Total Treasury Bills maturing in 1940			$230,000,000 00	$1,704,300 00

Progress reported.

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

Thursday, May 30, 1940

The house met at three o'clock.

PRIVILEGE—MR. CHURCH

REFERENCES TO CANADIAN NAVY IN DEBATE ON NAVAL SERVICE BILL

Mr. T. L. CHURCH (Broadview): I rise to a question of privilege in connection with my remarks in the debate yesterday on Canada's navy. My remarks related to a return that I was about to read when the minister replied. This return is dated February 14, 1938, and is found on page 392 of *Hansard* for that year. It contains particulars of what the navy consists of, where it was located, whether any of the fleet had gone to Sino-Japanese waters, and the goodwill cruises for that year.

The minister replied on that occasion that the destroyers had left for a winter cruise in January and that the schooner *Venture* would cruise in West Indies waters. The programme for the visit was released to the press on January 4 and 5 of that year. That report is what my address was based on. I never made any reflection on the great body of men of the navy, As I said in this house yesterday and on other occasions, Canada has cause to be proud of her men of all ranks in uniform, in the army, the navy and the air force. They are the real people to be proud of and what they are doing to win the war. Their history is a history of courage. Yesterday and for the past ten years I have supported a policy of rearmament, which the minister brought down in 1938. I have known the minister who spoke yesterday for many years and until yesterday have always found him very courteous. I should probably have used the expression "goodwill navy" instead of "show navy." I try to cooperate with the government, and there is one thing I can say because I have known him a long time, that the Prime Minister has always shown courtesy and politeness to members of the opposition.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BREN MACHINE GUN CONTRACT

Mr. WRIGHT:

1. What is the total amount paid to date, under the terms of the Bren machine gun contract with the John Inglis Company?
2. What is the estimated remaining amount which the government will have to pay before the terms of the contract are fulfilled?
3. On this basis, what is the estimated cost to the Canadian government for the Bren machine gun, per unit?

[Mr. Ralston.]

Mr. ROGERS:

1. $1,882,997.56.
2. Estimated amount: $3,725,826.62.
3. The above total of $5,608,824.18 includes capital costs of $1,600,708.18. On this basis the estimated unit cost per gun and spare parts (per set), exclusive of capital costs, is $572.59. (Gun $368.30; spare parts $204.29).

FOREIGN EXCHANGE CONTROL—FREE AND OFFICIAL RATES

Mr. HARRIS (Danforth):

1. What was the free market exchange rate between the Canadian dollar and the United States dollar and the British pound September 1, 1939; October 1, 1939; November 1, 1939; December 1, 1939; January 1, 1940; February 1, 1940; March 1, 1940; April 1, 1940; May 15, 1940?
2. What was the exchange control rate at the same dates?

Mr. RALSTON:

1. Note—The so-called free market for Canadian dollars in the United States simply represents scattered transactions between non-residents, when a non-resident may happen to have Canadian dollars to sell. Wide fluctuations in rates take place and it is difficult at any time to establish an accurate measure of prevailing rates as the volume of transactions of this kind is relatively small. In these circumstances the rates published by the federal reserve bank of New York probably represent the best approximation of prevailing rates based on the comparatively small volume of transactions of this kind.

Exchange rates in the so-called free market referred to above for Canadian dollar and British pound in New York, as published by the federal reserve bank of New York:

	Canadian dollars	British pound	Exchange rate for British pound in Montreal
Sept. 1, 1939...	95·625	4·21	4·4625
Oct. 2, " ...	88·875	4·015	no free market
Nov. 1, " ...	89·625	4·00	"
Dec. 1, " ...	86·9375	3·895	"
Jan. 2, 1940...	88·625	3·955	"
Feb. 1, " ...	87·4375	3·96	"
Mar. 1, " ...	86·125	3·93	"
Apr. 1, " ...	81·50	3·56	"
May 15, " ...	81·8125	3·24	"

2. Foreign exchange control was not instituted in Canada until September 16, 1939. The official rates set by the foreign exchange control board on that date were as follows:

Sterling—4.43 buying—4.47 selling
United States dollar—1.10 buying—1.11 selling

which is equivalent to quotation of 90.91—90.09 for the Canadian dollar in the United States.

These rates have not been changed since September 16, 1939.

ROYAL MILITARY COLLEGE—CADETS AND EX-CADETS IN ACTIVE SERVICE

Mr. BRUCE:

1. Has the Minister of National Defence called up for war service the hundreds of cadets and ex-cadets of the Royal Military College?

2. If not, is he prepared to tell the house whether he contemplates doing so in the near future?

Mr. ROGERS:

1. (a) Under the regulations, all gentlemen cadets on leaving the college with a diploma of graduation or a certificate of military qualification, who have not obtained a commission in the royal navy, or in his majesty's regular land or air forces, or in the corresponding naval, land or air forces of the other portions of the empire, are required to accept combatant commissions in the R.C.N.V.R., or the non-permanent active militia or the non-permanent active air force. Having thus become established in the various arms of the service, full scope is provided for their appointment to active service units.

(b) According to available information there were, as on the 17th May, 1940, 534 ex-gentlemen cadets of the Royal Military College serving in the active service components of the sea, land and air forces of Canada and Great Britain.

The total output from the Royal Military College in the past twenty years has been about 900. This means that in the 9th month of the War, 60 per cent of the entire output from the Royal Military College in the past twenty years is already serving.

2. Action has already been taken through appropriate channels to inform district officers commanding of other ex-gentlemen cadets who are anxious to serve in the Canadian active service force.

*DISTRIBUTION OF COPIES OF BILLS TO MEMBERS

Mr. HANSELL:

Will the government consider having a copy of all bills of the House of Commons placed in the post office boxes of members on the day on which they are filed in the chamber?

Mr. MACKENZIE KING: As hon. members are aware, immediately after the bills are printed they are distributed by the pages to the desks of all hon. members. If however there is a general desire that there should be further distribution, that copies of bills should be put in the post office boxes, His Honour the Speaker is quite agreeable that that should be done. The government is also agreeable. It might however be advisable for the whips to confer in reference to what it will mean in the way of additional distribution.

BATA SHOE COMPANY—MACHINERY IMPORTS

Mr. HARRIS (Danforth):

1. What was the value of machinery imported into Canada by the Bata Shoe Company of Frankford, Ontario, during the fiscal years ending March 31, 1938; March 31, 1939; March 31, 1940?

2. Did the Bata Shoe Company, Frankford, Ontario, pay duty on all machinery imported into Canada?

3. If not, what was the value of the machinery imported duty free by the Bata Shoe Company, Frankford, Ontario?

4. Did the Bata Shoe Company, Frankford, Ontario, pay a sales tax on all machinery imported into Canada?

5. Under what tariff items was the machinery imported into Canada by the Bata Shoe Company?

6. Through what ports of entry was the machinery of the Bata Shoe Company imported into Canada?

Mr. ILSLEY:

1. It is contrary to established practice to give information which would disclose the private business of any individual or concern.

2. Yes.

3. Answered by No. 2.

4. Yes, where exigible.

5. Under various tariff items.

6. The principal ports of importation were Belleville, Trenton and Montreal.

NATIONAL DEFENCE—USE OF SERVICES OF MECHANICAL ENGINEERS

Mr. BRUCE:

1. Has the Minister of National Defence considered the question of using some of the large number of mechanical engineers who are available in Canada?

2. If so, would it be necessary for these men to apply through the Civil Service Commission on a competitive basis?

Mr. ROGERS: It is understood that the civil service commission has received a large number of applications from qualified mechanical engineers. When the department requires professional assistance of this kind, application is made to the civil service commission and the appointment is made by them.

REPORT ON CULTURAL CONDITIONS IN CANADA

Mr. McGREGOR:

1. Has the report on cultural conditions in Canada, etc., been received as provided for in vote 63 of the estimates for the fiscal year ending March 31, 1940?

2. If so, by whom was this report prepared?
3. Has the report been printed, and, if so, is it available for circulation?

Mr. ROGERS:

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

BATA SHOE COMPANY—LOANS UNDER NATIONAL HOUSING ACT

Mr. HARRIS (Danforth):

1. How much money was loaned under the National Housing Act to the Bata Shoe Company employees at or near Frankford, Ontario, for the fiscal years ending March 31, 1939, 1940, and 1941?
2. How much money was loaned under the National Housing Act to the Bata Shoe Company for the construction of homes at or near Frankford, Ontario, for the fiscal years ending March 31, 1939, 1940, and 1941?

Mr. RALSTON:

1. No loans have been made under the National Housing Act, 1938, directly to employees of the Bata Shoe Company of Canada, Limited.

2. Loans have been made under the National Housing Act, 1938, to the said company to assist in financing the construction of sixty-four family units for employees of the said company. The total amount of money loaned jointly by the Sun Life Assurance Company of Canada and the government of Canada for this purpose was $115,200, of which the share of the Sun Life Assurance Company was $86,400 and the share of the government of Canada was $28,800. The average loan per dwelling unit was $1,800. The loans for construction of these dwelling units were all approved in the fiscal year ending March 31, 1940. No loans to this company were approved in the fiscal year ending March 31, 1939, or, to date, in the fiscal year ending March 31, 1941.

CADET TRAINING

Mr. CHURCH:

1. What was the cadet vote in the militia estimates as passed by parliament for each of the years 1935 to the end of 1940?
2. What is to be spent in 1940?
3. Are any periods of two weeks training being provided as in the great war for cadets in each military district?
4. Are there any votes to boards of education in Canada for such work, or for other maintenance charges, uniforms, instructors, equipment or pay, and what are they?

Mr. ROGERS:

1. 1935-36	$150,000
1936-37	150,000
1937-38	140,000
1938-39	139,500
1939-40	144,500
1940-41	——

[Mr. McGregor.]

2. The sum of $145,500 has been included in the estimates for cadet services, 1940-41.
3. No.
4. No.

In each district, instructional personnel are employed to supervise cadet training.

Instructional allowance, at the rate of $1 in respect of each senior cadet on parade at the annual inspection of cadet corps, authorized under the provision of paragraph 60, Regulations for the Cadet Services of Canada, 1928, is payable to each cadet corps instructor.

No grant is authorized towards the provision and upkeep of cadet uniforms, but rifles, ·22" ammunition, etc., belts and signalling flags are issued on loan to cadet corps by the Department of National Defence.

*MAJOR-GENERAL MCNAUGHTON

Mr. BRUCE:

Will the government give consideration to the question of immediately recalling Major-General McNaughton to organize further divisions in Canada as he is better qualified for such organization than anyone at present available?

Mr. SPEAKER: I would point out to the hon. member that in framing his question he concludes with a statement of fact, which I think is not in order. I suggest that the hon. member restate his question in another manner.

Mr. HANSON (York-Sunbury): If the last clause were dropped I submit the question would be in order.

Mr. MACKENZIE KING: As to the first part of it, an answer would involve announcing government policy. It is not customary to announce government policy in reply to a question on the order paper but to make it known to the house at such time as the government deems it advisable. That would be the answer to the first part.

*SUPREME COURT DECISION AS TO POWER OF PROVINCES TO REGULATE PRICES

Mr. NEILL:

In view of the great effect on the relations between the dominion and provincial jurisdictions created by the recent decision of the Supreme Court of Canada, that provincial legislatures have the right under the British North America Act to regulate prices of all commodities within their own boundaries, will the dominion government take steps to carry an appeal to the privy council?

Mr. LAPOINTE (Quebec East): This involves a question of government policy as to which I cannot give a definite answer to-day.

MUNITIONS AND SUPPLY

SIGNIFICANCE OF "WAR OFFICE REQUISITION" IN CONTRACTS TABLED

On the orders of the day:

Hon. GROTE STIRLING (Yale): Would the Minister of Transport (Mr. Howe) inform the house on a point in connection with the lists of contracts which have been tabled? Frequently under the name of the contractor the phrase appears "war office requisition". Does that mean that there has been a requisition by Canada on the war office, or that it is the United Kingdom purchasing in Canada?

Hon. C. D. HOWE (Minister of Transport): The reference means that Canada has requisitioned the war office of the United Kingdom for that particular material.

DELIVERIES UNDER CONTRACTS—REARRANGEMENTS WITH RESPECT TO CANCELLATIONS

On the orders of the day:

Mr. J. H. HARRIS (Danforth): Inasmuch as these contracts run into many millions of dollars, and there is no notation with regard to delivery, perhaps the minister would inform the house also whether delivery is up to date. And in respect to requisitions which have since been cancelled or rearranged, has rearrangement been made for the supplies from other sources, particularly the United States? Perhaps the minister could reply to-morrow.

INDUSTRIAL SURVEY

TABULATION OF AVAILABLE MANUFACTURING RESOURCES FOR PRODUCTION OF MILITARY REQUIREMENTS

On the orders of the day:

Mr. J. H. HARRIS (Danforth): I should like to ask the Minister of National Defence (Mr. Rogers) whether the registration of the Canadian manufacturing industry which was initiated by his predecessor in office has been completed, and is it up to date?

Hon. NORMAN McL. ROGERS (Minister of National Defence): I received notice of this question only a moment or so ago. I shall be glad to obtain the information for the hon. member.

NATIONAL DEFENCE

USE OF ·303 AMMUNITION—POSTPONEMENT OF CERTAIN RIFLE PRACTICES

On the orders of the day:

Mr. ALAN COCKERAM (York South): I should like to direct a question to the Minister of National Defence. Is there a shortage of ·303 ammunition in Canada at this time? I understand instructions have been given to military headquarters in the various districts restricting the use of ·303 ammunition to infantry battalions of the third division in training centres and machine gun battalions—

Some hon. MEMBERS: Order.

Hon. NORMAN McL. ROGERS (Minister of National Defence): I wonder if the hon. member feels that he is serving a useful purpose by putting a question of the kind at this time.

Mr. COCKERAM: I do.

Mr. ROGERS: I will answer, although I entirely disagree as to the usefulness of the question at this time. Certain rifle practices have been postponed only as a result of new mobilization arrangements arising out of the decision to call up the third division and additional rifle battalions of the fourth division.

LOAN OF $750,000,000

TO MEET LOANS OR OBLIGATIONS, TO PURCHASE UNMATURED SECURITIES, AND FOR PUBLIC WORKS AND GENERAL PURPOSES

The house resumed from Wednesday, May 29, consideration in committee of the following resolution—Mr. Ralston—Mr. Vien in the chair:

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.

Mr. ROWE: The attempt to comprehend the meaning of this resolution to borrow $750,000,000 further emphasizes the gigantic task that lies ahead of this country. It is a challenge to our national credit, which fortunately is high enough to sustain it. The future will test our ability to pay, and that test will be met by an energetic people in a country of vast and rich resources.

This stupendous financial provision is only one more shocking indication of the extent of the effort which will be necessary to carry out our high purpose to defend religious and individual freedom. Events of to-day and shadows of the events of to-morrow consolidate our people as nothing before has done in one common bond of effort for one common purpose. Our people, of different religions, races and languages, are standing shoulder to shoulder in the face of a peril that is common to the members of our commonwealth and to the countries which have already been overrun. While we stand by we are inspired

by the actions of those gallant men of the British expeditionary force who are maintaining the finest traditions of the empire in an unexpected emergency caused by the desertion of an allied king. We are also fortified by the courage, determination and skill of the great French army. We have the further assurance of the well-grounded and lasting friendship of the great nation to the south, their president one of the greatest of world statesmen, who has struggled so earnestly to save his people from the disaster of war and is at the same time a great force in preserving democratic freedom.

Therefore while our hearts may be heavy and sad to-day, realizing the difficulties which confront us, and knowing that the way we have to go is hard and long, we believe that with God's help and by doing our duty we shall win. Closely allied with the mother countries of Britain and France we must now face fearlessly and by swift action the greatest conflict in the history of our Christian civilization. No other people in the world are more capable of accomplishing so terrific a task than this enterprising and free people, if they have courageous leadership. No people in the world have greater resources behind them, and we must be prepared to offer an ever-increasing variety of services and sacrifices if we are to meet the necessities that arise from day to day. I am sure they will challenge almost to the point of weariness the mental capacity of the government which sits to your right, Mr. Chairman, just as the physical attacks will challenge the capacity of our gallant, youthful and vigorous army which must meet them in the field. We must gird ourselves to meet this task on one common front. We must strengthen our determination, without fear or favour. No one is worthy of being in this house if he would play politics with this crisis.

Some hon. MEMBERS: Hear, hear.

Mr. ROWE: Indeed, Mr. Chairman, I feel that anyone who would hint that politics were being played can scarcely realize the seriousness of the situation. On the other hand we on this side are equally weak and guilty if we withhold anything that may assist to bring about a common victory. We are now a nation at war. We have a War Measures Act which contains wide and effective powers. It is now our duty to establish this country on a war basis. Our man power and resources must be rapidly mobilized to their maximum. We are told that a record has been made of our industrial capacity. That is encouraging, because it may be needed soon to replace the output of British factories. The subversive influences that have already opened the gates of other nations in advance of the swiftly moving hordes of Hitler must be dealt with by quick and forceful means. This can be effectively accomplished, just as our forces can be effectively and successfully organized, only by an immediate registration of every man and woman in Canada. We must meet a swift aggressor with swift action. We must develop mass production to withstand a mass destroyer.

When our government fears that it will take a year or two before we can begin to produce tanks, let them talk to Mr. Henry Ford, who says that within six months he can produce a thousand aeroplanes a day. Let our government tell the people that the events of the last few years have aroused them and that now their policy is not the slow and steady mobilization of eight or nine thousand men, as it was the other day, but a rapid and vigorous recruiting of at least forty thousand men for the immediate future. The mobilization at once of a home defence army of fifty thousand men might well be considered and put into operation by the present government. The militia guards at many points, such as bridges and hydro plants, might be replaced by experienced war veterans who are not at present on the strength of the militia. To furnish supplies for these men and thousands more who may be required in the near future, our factories must not wait and run part time, as many are doing to-day. They must be speeded up and kept producing twenty-four hours a day.

These and many other measures are necessary, as I think everyone within sound of my voice will agree. The confidence of our people, which is necessary for the achievement of our war objectives, must be inspired by government action and government policies. The old middle-of-the-road speed, no slower or faster than the people will enjoy, is not good enough to meet a crisis such as we are facing to-day. The wait-and-see policy, politically popular in days of peace, cannot meet this situation. Economic appeasement, often mentioned in fireside chats, was a sweet phrase in days of tranquillity, but it is useless to-day. Deferred military cooperation with Britain, practised before the war, now constitutes a dangerous policy, threatening the speed which must be made in this crisis which now menaces our freedom.

I should be derelict in my duty to this house and to this country if I failed to offer these considered suggestions before we pass this gigantic expenditure which future generations will have to meet. The light of our immediate past does not reflect much encouragement in regard to the action necessary to secure

our immediate future. It is a past strewn with blunders, failures and, I say again, complacencies that are almost inexcusable. Our allied forces must be supported. Those forces defeated Germany twenty-five years ago and this time those forces will not only defeat but will conquer Germany. We are not afraid; we are not downhearted, but if as a people we are going to meet a swift aggressor, hasten our victory and save the lives of many of our gallant young men, I urge upon the government to do what other governments have done when facing a crisis such as this.

I say this, Mr. Chairman, with the very deepest respect for this government and especially for my good friend the Prime Minister, whose friendship I enjoy, whose personality is delightful and whose integrity I would never allow anyone to challenge.

Some hon. MEMBERS: Hear, hear.

Mr. ROWE: The Prime Minister has been a great man of peace, a great promoter of peaceful negotiations and of friendly relationships with other countries. But I say these are days of war, not of peace, and in all sincerity and certainly not in any spirit of politics but with the deepest feeling of sympathy—

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: Some of my hon. friends may not understand—

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: I say to you, Mr. Chairman, and to my older colleagues in this parliament that no man worthy of being in this house will even impute those political motives at this time of dire crisis. I have not referred to some of the weaknesses of the Liberal policy which I could have mentioned in a way that might awaken bitter resentment among hon. gentlemen opposite.

An hon. MEMBER: Go on.

Mr. ROWE: Someone says to go on. No, thank you. I have been in this house longer than the hon. member—

Mr. McCANN: In and out.

Mr. POWER: By the back door.

Mr. ROWE: My hon. friend says "in and out," but we are in this game to stay. On the other hand, if we do not measure up to this task we are going to be out, as far as the part of this country in the war is concerned. I would say to the Minister of National Defence for Air that I am not so much concerned about being out—

Mr. POWER: I said you try to come in by the back door after you have failed to get in by the front door.

Some hon. MEMBERS: Hear, hear.

[Mr. Rowe.]

Mr. ROWE: Someone mentioned something about political taunts, but to my friend the minister I would say that I think I have as much right to come in the front door of this parliament as he has.

Mr. POWER: We are not talking about parliament; we are talking about the government. You could not get in the front door of the government by the votes of the people, and now you are trying by intrigue to get in by the back door.

Mr. ROWE: Mr. Chairman—

An hon. MEMBER: Sit down.

Mr. CHURCH: Canada came in at the back door, late in the empire air training scheme.

Mr. ROWE: I am surprised but I am not at all disturbed, because there is no one who can challenge me on the question of intrigue against the present government. There is intrigue going on throughout our civilization to-day, and you ought to know it.

I will say, as I conclude—

An hon. MEMBER: Keep on going.

Mr. ROWE: I do not propose to go on further. Political taunts have been thrown across the floor of the house, but I say in all sincerity—it is my duty to say it, whether I am listened to or not, and I believe the leader of the present government will follow me in what I am about to say—that at the present time we need a prime minister speeded up to a war job.

An hon. MEMBER: We have it.

Mr. ROWE: With deepest respect and sympathy I urge the Prime Minister, a great man of peace, to step aside and let a war prime minister speed up a war job by an order for swift advance.

Mr. GARDINER: For the past ten days we have been meeting in this house for the purpose of attempting to speed up the war effort of Canada. During that period it has become the daily effort of our friends on the opposition side, and more particularly our friends in the official opposition, day by day to raise the question which has been discussed here and there in different types of organizations which have apparently been set up for that purpose, the war effort of this government, from a point of view which makes it possible for them to stand up on the floor of the house and question the incentives and motives of the present Prime Minister of Canada.

We met in this chamber a few months ago and were confronted with much the same opposition, in so far as the official opposition

is concerned, as that with which we are confronted to-day. The one man directly opposite who then sat in this house, who is not now here but who really counted at that time, was the leader of the party. The group of men who are sitting in the opposition seats to-day are a group who have got rid of more leaders since 1927 than any other political party in any part of the British empire. Following the last great war they had a leader, one who was chosen at the end of the war partly because of his practices during the war. He appeared before the people of this country for one election, and was defeated. He was defeated because of the fact that he did more during the short time he was in office in this country to disunite the people of Canada than any other man had done. To-day he sits in another place. After he left the leadership of the party he took his place in the business life of this country, and in the business life of this country, Mr. Speaker, he made a failure. As a last refuge he went to that other place from which he speaks to-day in order to attack and criticize the leadership and the government of the Dominion of Canada. And daily our friends on the other side of the house get up from time to time and raise questions as to whether or not we should have different leadership, not only in the House of Commons but in the Dominion of Canada.

I think it is time someone should answer some of the statements which have been made. My hon. friends follow the usual route taken by men who want to seek a way in by the back door, as was said a minute ago. They always begin their remarks with something kindly with regard to the men they begin to attack. That reminds me of the fact that the one great betrayer of all time did it with a kiss.

Having driven the leader of whom I spoke a moment ago from the leadership of their party, they chose another. They kept him in office until he lost an election. Then they hounded him inside this house and out of it until they drove him from the public life of the Dominion of Canada. Then they chose still another. They called him the man of action—"fighting Bob". He went through an election with them. Following the election they met in caucus in this city, just before the house met, and on that occasion he offered them his services to carry on throughout this session, or as long as they desired him to do so. But they refused his offer, turned him down and selected another leader, who entered the house to lead their party. I submit, Mr. Chairman, that at the present time they are carrying on further intrigue with the idea of bringing back to this house another leader, in order to lead them if possible to greater success. Well, my friends may call that politics, or they may call it whatever they like. I do not think it is even worthy of the name of politics. Politics was never intended to be played in that way.

An hon. MEMBER: You ought to know.

Mr. GARDINER: Yes, and I have remained in the public life of this country a long time because I have played politics in a square way.

How do my friends start in? They say the Prime Minister has been one of the greatest leaders of this country in peace time—but that is not what they have been saying for the last twenty-one years. Yes, to-day they say he is the greatest leader that Canada could possibly have in peace time, but they go on to say that he is not warlike enough to be here to lead in a time of war. Let us check that. Some of us have sat in this house for four or five years, and some longer than that. Those of us who have been here four or five years will remember that when the government of which the hon. member for Dufferin-Simcoe (Mr. Rowe) formed a part, prior to 1935, left office, they had voted for one year's expenditures upon the defence of Canada some $17,000,000. In the last complete year they were in office they had spent $13,750,000, if I remember rightly.

An election was held, and a new government took office. During the first year he held office the Minister of National Defence in that new government brought down estimates totalling some $24,000,000, if I remember correctly, and what happened?

Mr. ROWE: Nothing.

Mr. GARDINER: Nothing so far as the hon. member for Dufferin-Simcoe was concerned. He sat in this house and did not say a single word in support of the passing of those estimates.

Mr. ROWE: If the minister will look up *Hansard* and read what I said in the house he will see that I favoured the spending of a hundred million dollars.

Mr. LAPOINTE (Quebec East): What page?

Mr. MARTIN: You said that a week ago.

Mr. ROWE: No, I said it when the first estimates came up in 1937.

Mr. MACKENZIE (Vancouver Centre): Not a single member of the Conservative party opened his mouth while on the floor of this house.

Mr. LAPOINTE (Quebec East): Show us the book.

Mr. GARDINER: As has just been stated, when those estimates came down in this house they were discussed day after day. Hon. members sitting in the far corner of the house opposed them. Some hon. members sitting on this side of the house opposed them. Hon. members sitting directly opposite, if I remember correctly, during that session did not utter a word, either of criticism or of endorsation, of the government's policy.

Mr. BLACKMORE: I think the minister should say "some" members in this corner opposed them; certainly some members supported them.

Mr. GARDINER: I was speaking more particularly of the official opposition and the Cooperative Commonwealth Federation, as well as certain members of the Social Credit group who were in the house at that time. That was the position in 1936 when we were meeting in session here.

In 1937, if I remember correctly, the then minister of national defence brought down estimates asking for expenditures of approximately $35,000,000. Again those estimates were opposed from the opposition side of the house, more particularly by our hon. friends of the Cooperative Commonwealth Federation. They were opposed also by other hon. members sitting on the opposition side of the house, and by a few hon. members sitting on this side. But those estimates were finally voted through the house.

On each of those occasions the present Prime Minister of Canada found it necessary to stand up in this house and plead not only with his own supporters but with the members of the opposition to support the proposed increases in expenditures for defence in the Dominion of Canada. As was said here the other day, hon. members on the other side of the house, irrespective of what party they belonged to, tried to put forward the idea, in a critical attitude, that those estimates were going to be used for some action outside of Canada. If I remember rightly, from every part of the opposition there was insistence that he give to the house an undertaking that those estimates would not be used to prepare for an expeditionary force or to help some nation outside of Canada.

Some hon. MEMBERS: No, no.

Mr. GARDINER: Members from every part of the opposition; I did not say all members of the opposition.

Mr. MacNICOL: We supported it.

Mr. GARDINER: Members from every part of the opposition took that position on each one of those occasions.

Some hon. MEMBERS: No.

Mr. GARDINER: The point is that on each one of those occasions the leader of the government of this country, the present Prime Minister of Canada, got up and made a special appeal in connection with the estimates of the Minister of National Defence in order to have them passed as nearly unanimously as possible. A group of men who reduced the estimates from a total of $22,000,000, in the last year the Liberal party was in power in 1930, down to an expenditure of $13,750,000, for the last full year that they were in power prior to the election of 1935, now get up and say that Canada should have been making preparations long ago; now they come along and tell us that we should have been building aeroplanes, that we should have been building up an air service in this country more than two years ago. Before 1930 the dominion government were making provision for the building up of a flying force. They had already made some provision for the establishment of a trans-Canada flying service to carry the mails of this country. When the new government came in, what did they do? They destroyed that service. They discontinued it. They left the people of Canada in a position where, when the new government came back into office in 1935, there was not a sign of that flying service from one end of Canada to the other.

After we had been in power for four years we had increased the estimates for militia from $17,000,000, which was the amount for the year when they went out, to $60,000,000. We had taken over a Canada with no civil flying service and we established from one end of the country to the other a trans-Canada service. We had built feeder lines to connect with the trans-Canada from the north and the south. I should like to ask my hon. friends of the opposition: Do they mean to try to convince the people of Canada to-day that their policy of scrapping the trans-Canada system was an encouragement for the building of aeroplanes in Canada? Do they intend that this house should believe that with the scrapping of that system and the cutting down of those expenditures, Britain was brought to the point two years ago where she began to discuss the possibilities of building up a training system across this country? I do not believe that there is a man, woman or child—more particularly a child—from one end of Canada to the other who will believe the kind of argument that is presented to the people of this country at the present time, nor will they believe it at any other time.

What was it that inspired the British government to come to Canada and interest themselves in the building up of a flying force in this country? It was the fact that the Minister of Transport in the government of the right hon. the present Prime Minister of Canada took hold of the Department of Transport under the inspiration of his leader and applied himself to the building up of its operations and the establishment of a trans-Canada system from the Atlantic to the Pacific. When Britain saw that all the energy of a country like Canada had been put into the building up of a system of that kind, they were inspired with the idea that this was the country in which to build up a system of air training. Again I ask this question: Was it the lackadaisical policy of the present official opposition, which was the party in power from 1930 to 1935, with regard to the development of flying and the building of planes in this country that inspired the British government, or was it the activities of the Minister of Transport in building up that system from one end of Canada to the other? The answer is obvious.

So much for the leadership of the Prime Minister of Canada in times of peace and in times of war, as related to the position in which we find ourselves at the present time.

Another statement was made by the hon. member for Dufferin-Simcoe, one which is made daily in this house in one form or another. He stated that the Prime Minister has great international knowledge. There is nothing new about that. We on this side of the house knew it in 1919, and long before. We certainly knew it in 1919 when the present Prime Minister was chosen as leader of the group that sits on this side of the house.

Some hon. MEMBERS: On this side too.

Mr. GARDINER: Yes, and on that side over there as well. As a matter of fact, a great many more people in Canada seemed to have known that. That is the reason why, when referring to a matter of this kind, I cannot cover the whole situation by referring to this side of the house. Many hon. members who sit on the other side are here because the people of Canada have given expression to that very view. Why do they know? They know it because services of the present Prime Minister of Canada had been used by the government of Britain, by the government of the United States and by the government of Canada in the consideration and settlement of problems that concerned countries far distant from this dominion. He has built up an international reputation even before his reputation for political leadership had been established in this country, and one of the reasons why at the end of the last war he was chosen to lead the party now in power in the time of another war was that the people of Canada already recognized him as one who would create a spirit of unity, one who was better qualified than anyone else in Canada to understand and bring together all the different elements in the prosecution of a common task. The record of the Prime Minister, not only before the war but since, has borne out the judgment of the party which chose him as leader, and the judgment of the people of this country who have on four occasions made him Prime Minister, and the judgment of the members who sit behind him and in front of him, whether they be in the government or outside of it.

We believe, Mr. Chairman, that the group that sits behind the Prime Minister in this house to-day is more national in its constitution and spirit—because of the fact that it is representative of so many constituencies and is so widely spread—than any other government that could be created by any other person anywhere in the Dominion of Canada. In other words, confronted as we are with the necessity for unity in order that we may meet the enemy either from outside or from within, there is no man in Canada who can more effectively unite all the forces of this country than the present Prime Minister. That is why we stand behind him to a man. That is why the people of Canada stood behind him when war was declared. Men and women from one end of the country to the other said then that there was no other man in Canada who could have carried this country so unitedly into war as the present Prime Minister. That is why Canada stood unitedly behind him on the 26th day of March last, and Canada, sir, still stands unitedly behind him.

I do not think that the great mass of the people are taking seriously those who appear in this house as spokesmen for what at one time was known as the Leadership League, or those who appear in this house as spokesmen for what has been known for years in this country as the element who would like to control Canada for their own benefit in time of peace or war. I do not think the great mass of the people are taking seriously the criticisms that are made by the representatives of either group—and there is no great difference between the two groups, because one was only the mouthpiece for the other. If they had possession of the seats of government tomorrow they would not be thinking half as much about the prosecution of the war as the present government is doing. They would be thinking, some of them, about other things.

Mr. TUSTIN: Cheap stuff.

Mr. GARDINER: My hon. friend says "cheap stuff." It is not as cheap as the kind of thing that has been put up in this house for the last ten days, and as one member of this house, I do not intend any longer to sit silently by and listen to such statements with regard to the one man in this house who has put forth a greater effort than any other to prepare Canada for the difficulties which we are facing at the present time and which we are trying to steer our way through in the most effective manner possible.

Something was said by the hon. member for Dufferin-Simcoe with regard to the great friendly country to the south of us.

An hon. MEMBER: No thanks to him.

Mr. GARDINER: My hon. friend says "no thanks to him." We on this side of the house have never been in the habit of courting, for political purposes, the friendship of any country or any group of people outside the Dominion of Canada; nevertheless we have believed, and our leader more than anyone else, that the thing least to be desired, either in time of peace or in time of trouble, is a lack of a feeling of friendship towards us on the part of any country. Living as we do alongside the United States we have been inspired by what after all is the fundamental principle related to the fighting of this war. What is it that has made the war a necessity? What was it that brought it upon us? It was the fact that under the doctrines of Hitler and the totalitarian state it is not enough to say that we are a great nation; it is necessary to build up a system under which it is essential that everything that is necessary to the existence of the people who are living within those boundary lines be within the boundary lines of the nation. Once having adopted that doctrine it becomes necessary to bring all the necessities of life and all things necessary for the protection of your land within the bounds of the country you happen to be ruling. When Mr. Hitler did not find within his own country food products sufficient to feed his own people he went out to acquire more territory. He got more in Austria, more in Czechoslovakia, more in Poland, more in Holland and Denmark, and more in Belgium. In other words, his doctrine is that when you cannot find supplies sufficient within your own borders, go out and take them. In private life we punish people who act upon that doctrine. It is a doctrine for which nations when they adopt it have to be punished; or they must be prevented from carrying it out.

What do the great democratic nations of the world believe in? We believe that the best demonstration of the doctrines we believe in is to be found on this continent more than anywhere else. We are a small people, some ten or eleven millions of us, living on the northern part of this continent side by side with a great country of a hundred and thirty millions of people. When they want mineral wealth from the northern part of our country; when they want pulpwood or food products from various sections of Canada they do not find it necessary to come over here and take the country in order to get what they want. They make no preparations for taking it.

Mr. MacINNIS: No, they simply bribe the government.

Mr. GARDINER: My hon. friend says "they simply bribe the government." That is exactly the kind of sentiment I should expect to come from that corner of the house. It is the kind of statement which when made throughout this country does not tend to create that friendly feeling which is so desirable under present conditions. We in Canada have lived in friendship alongside the people of the great country to the south and have traded with them in the commodities that we and they require. When we have wanted southern fruits, when we have wanted some of their manufactured products, we have not thought it necessary to go and take a piece of the United States. It probably would not have done us much good had we felt inclined to do so. But in any case these two great countries, one with 130,000,000 and another with 11,000,000 people have lived for over one hundred years side by side in peace and harmony; and one of the reasons why we have been able to live in that way is that we have had during the greater part if not the whole of that time men inspired by a desire to be friendly towards the great country to the south. And not the least among the great leaders of this country, inspired by that desire, has been the present Prime Minister of Canada, the present leader of the Liberal party and of this government.

When I was travelling through Canada during the last campaign I heard these same stories that are being flung across the floor of the house at this time. I heard these same suggestions to the effect that we had leading the government of Canada a man who was too friendly to the United States. I know where the inspiration for that story comes from.

Some hon. MEMBERS: Toronto.

Mr. GARDINER: It does not all come from Toronto—some of it does—but it comes from sources where there are certain individuals and corporations who are not particularly interested in doing some of the things that ought to be done in order to maintain the friendship that

exists between the two countries. What I said in reply to that suggestion on every occasion was this, and I repeat it in this house: Is there anyone in the dominion, at a time when we are at war, at a time when Britain desires the friendship of the United States more possibly than she desires anything else, who would advocate having in charge of the government of Canada a man who was not friendly to the United States? I reply now to the criticism in this statement, that the people of Canada in 1940, on March 26, declared that they wanted the present Prime Minister to carry on during the period of this war, and for the following reasons: First, because of his great international reputation; second, because he was a good peace-time prime minister, as everyone admits now even in this house; again, because he has been an even better war-time prime minister; because he inspires confidence in the institutions of the country both inside and outside Canada. And in so far as the members on this side of the house are concerned—and supporting members on the other side as well, and I am sure I speak for some even in the opposition groups—we all believe that there is no other man in Canada, either in this house or in the other place, or outside both houses, who can form a government in Canada to-day that would represent the national spirit of this country to the extent that the present Prime Minister does.

Mr. COLDWELL: For the last five or six days a number of us sitting in this corner of the house have been wondering whether there really is a war going on. We wonder this afternoon what the men who are overseas would think of this exhibition were they present in the gallery. Let me remind my friends who sit to my immediate right and who say "hear, hear" that whether we of the opposition groups like it or not the Prime Minister (Mr. Mackenzie King) less than two months ago received the largest endorsation that a government has ever received in the history of Canada. I venture to say that two years ago none of us in this house regarded the possibilities that now face us as anything but more or less fantastic. Speaking for myself, I did not think that the events which have come to pass could have taken place. An hon. member says that we had plenty of warning. Well, the governments of democratic peoples throughout the world, knowing more than we could possibly know, paid little heed to the warning.

The resolution before the committee involves the refinancing of an exceedingly large sum of money—$750,000,000. It seems to me that much of our consideration of Canada's war effort involves resolutions of this kind. We have to consider not only the immediate interests of the Canadian people but also the effect of such a proposal upon our economic structure and its implications which will be felt now and in the post-war period. We in this group believe that this proposal calls for a thorough planning and a complete control of our financial system in order that we may marshal our resources in a manner which will be entirely effective; and believing this, we wish to place before the committee once again the suggestion that before we proceed to raise money by way of loan we should consider the national ownership and control of all our financial institutions so that they may serve the needs of the nation in this crisis. Now, that involves more than control of the chartered banks. It involves control of institutions engaged in investing the funds accumulated by our private citizens and by semi-public, public and private corporations. Britain and New Zealand have both done this. We have heard the statement in this house so frequently, it has been repeated so often that the people pay little heed to it, that we should mobilize our man-power. Before any suggestion is made to mobilize man-power for overseas service, I suggest that we should mobilize our economic resources, particularly the financial institutions, to serve the interests of the state at this time. How are we going to do it? That has always been the question, and my answer now is that Great Britain and New Zealand are doing it, and the basis of settlement will be decided when the present crisis is over. The important thing, it seems to us in this group, is to proceed with the mobilization of our economic strength in order to withstand both the shocks of war now and the shocks that will come with the aftermath of this great struggle.

We believe that refunding proposals ought to become merely a part of the planned, controlled use of the accumulated wealth in this country. The time to initiate such a programme is clearly now, not when it has been complicated and made more difficult by the sale of large quantities of new bonds which will be held by many more of our people.

The resolution provides for raising by way of loan a sum not to exceed $750,000,000 to redeem obligations of Canada, to purchase unmatured securities of Canada, and for public works and for general purposes. When we discussed a similar resolution in May of last year we were not at war and the problem was different. The proposals we made at that time might not have the same application to the problem that we face to-day. We suggested then that some $100,000,000 might be

issued directly through the Bank of Canada. We were told that the appropriation of large sums of money through the Bank of Canada could not be undertaken for public works, and that we should strive to keep our budget in balance. Well, to-day there is no thought of a balanced budget; the only question is the extent to which we can finance the great public effort necessitated by the war.

At the moment in Canada we have vast quantities of goods, some of which could be consumed in Canada itself if those who lack them had the opportunity to buy them. In this respect we differ from Great Britain, where such commodities as wheat, bacon, butter, fruits, and so on, must be rationed and conserved. And there of course the effect is different because conservation forces a certain measure of saving which can be diverted into war production channels. In Canada we need to encourage the purchase and consumption of the very things the consumption of which is being discouraged in Great Britain; hence the necessity of providing, under an appropriation of this sort, adequate means for necessary relief and the promotion of a public works programme, until at least opportunities are furnished for the reemployment of those who are now unemployed. Aside from the humane considerations, or the actual necessities of the unemployed, and so on, the consumption of farm products would enable farmers to assist in financing our war effort. Unless they can dispose of their commodities they can make no contribution financially to the needs of the country at this time.

At the moment in Canada both the workers from many industries and the farmers are enmeshed in a net of depression prices and unemployment which, as we have often said in this house, are related directly one to the other. The latter could have been solved had Canada's economic resources been organized on the outbreak of war to provide the material aid which the allied cause lacks. The former will have to be met by increased consumption in Canada, by the planning of production and the establishment of set prices, to be agreed upon, of primary products in Canada. Our plea, then, is for the immediate control through nationalization of our financial system and of our key war industries. This suggestion does not even go as far as the policies now in effect in Great Britain and New Zealand, although we would go as far ourselves to enable this nation to marshal its strength and plan its production to meet consumptive needs.

Obviously it is a mistaken policy to borrow huge sums of money and let future generations pay a mountainous toll of interest. Previous war experience demonstrated that such a policy led inevitably to vast accumulations of wealth. Subscriptions to government loans may now be received from people with very small incomes who will make tremendous sacrifices in order to make these subscriptions; but when the inevitable post-war depression follows, the bonds or securities or certificates held by those with small incomes will go upon the market and find their way into the vast accumulations, just as they did after the last great war, the net result being that we have permanently in our midst a small number of people who can collect vast sums in interest from the rest of the population—people who have nowhere to put that money except, as we saw a year ago, into savings accounts in the several banking and other financial institutions, and who can demand for years to come a toll of wealth from those who produce wealth. Such accumulations exist in Canada to-day, and if we are asking men to sacrifice their lives, to risk their health, we have a right to demand of those who have vast accumulations of wealth a contribution in money, substantial sums of money, to the common cause of the country in this crisis.

At the moment social services are being cut. On May 1 relief was cut in half, causing a tremendous amount of suffering to many of our citizens. The interest we have been paying and are going to pay to the bondholders remains relatively high. Our first loan was at the rate of 3½ per cent, which is within one-quarter per cent of the rate on the first loan during the great war. During the last war the interest rate on war bonds reached 5½ per cent, free of income tax. We hope that example will not be followed during the course of the present war. John Maynard Keynes, who recently wrote a book on war financing in Great Britain, contends that under no circumstances should the rate of interest paid by the government exceed 2½ per cent. In my opinion that is a very generous rate of interest when we are asking sacrifices from so many of our men and women during the period of the war. This afternoon the hon. member for Dufferin-Simcoe (Mr. Rowe) made an impassioned appeal for the registration and mobilization of our man power; but as a prerequisite to any such registration we would ask that this government bring down a policy of the nationalization of at least our financial institutions and our war industries.

I do not think there is very much more I need say on this resolution. I have simply tried to express a point of view and to advance some constructive proposals in relation to the resolution now before us. I hope within the next few days we may get down to a consideration of the measures necessary for the

defence of this country, and consider them from the point of view of the welfare of the Canadian people rather than that of any political advantage that may accrue to one group or another in this house. If we do this, probably we shall be able to find some constructive policies to meet the present situation.

I hold no brief for anyone, but there are some matters I think the government should make clear to the house; for example, as to whether or not some articles which have appeared in our western papers—I refer specifically to those appearing under the name of Mr. Grant Dexter—accurately state the position in regard to the war effort as far as the government is concerned. If they do then I think this house and the country ought to know it. We have been told, for example, that the government programme was advised by the government of Great Britain on the outbreak of war. Is that true, and has it been followed? Did the government, as Mr. Dexter says, extend or desire to extend that programme greatly beyond its present limits? Is it true that the British authorities did not greatly welcome our sending a large expeditionary force last autumn, and was that due to the fact that Britain herself was short of the equipment needed? Then of course we have the statement made by the Minister of Transport (Mr. Howe) in the house on May 22, when he told us rather explicitly that one of the difficulties Canada had experienced was our inability to obtain the necessary plans and so on from British manufacturers for the production in Canada of the heavy equipment that is needed in modern war.

We have heard a great deal of criticism and replies thereto across the floor of the house. I believe that if these matters could be cleared up definitely the country would be more satisfied and united. As far as we in this group are concerned, we want to see the war financed by those who have the ability to carry the load. We want to see our resources, industrial and financial, organized intelligently and not left to mere chance. To such policies, when the government brings them down, we will give our support.

Mr. QUELCH: I had not intended to take part in this debate, Mr. Chairman, but in view of the fact that on several occasions the Minister of Agriculture (Mr. Gardiner) referred to this group and made certain charges that are totally untrue, I want to take a few moments to deal with some of the things that have been said.

Speaking in this house a few days ago the Prime Minister (Mr. Mackenzie King) stated that public opinion during the past five years would not have tolerated adequate defence estimates. The important question is why public opinion would not tolerate such estimates. The simple reason is that during the past five years we have had a reactionary financial policy dominating the activities of the government. I suggest that if during the last five years the Prime Minister had implemented his promises regarding monetary expansion, the people would not have held that opinion. If he had carried out his promise to make currency and credit available in terms of public need, to meet the domestic and social requirements of the Canadian people, then they would not have hesitated to agree to the necessary expenditures to safeguard the welfare of this nation. Instead of that, however, we have had a policy that year after year has been sabotaging the resources and productivity of this nation. Time and again in this house the former minister of finance stated that the only money available to meet government expenditures was the money taxed from the pockets of the people. The former minister of labour even went one step further and said, "If we are going to increase our expenditures it will become necessary to increase taxation," and he added that as we were already taxing the rich as far as we could, it would mean that we would have to increase taxation on the poorer classes of the people. Is it any wonder that the people were not prepared to support an increase in taxation for purposes of defence when we were told quite plainly that that increase would have to be borne by the poorer classes?

I should like to say just a few words with regard to the stand we have taken on this matter. During the special session of last September I think we in this group made quite plain what our stand was. What did we advocate? We advocated the complete mobilization of the total resources of the dominion, conscription of financial and industrial resources, and we demanded that this should be done before the conscription of man-power; we demanded a national registration of all man-power in order that we might find out how many men were trained for this or that industry, how many unemployed were skilled and how many were unskilled. Then as we developed our plans for the defence of the country, as we realized what expansion there would have to be in this or that industry, we would have been able to institute schemes whereby those people would have been given the necessary training. I recall—and this is something which does no credit to those who took part in it—that during the past election campaign certain men came into Alberta and attacked us on the ground that we had advocated the greatest possible mobilization

of the resources of the country for war purposes. In other words in an election campaign held during a serious crisis they were willing to sabotage the defence of the country in order to gain a few votes. It is unnecessary for me to refer to any names, because hon. members realize who were guilty of that action. Certainly it is not to their credit that such action was taken.

We had to wait for the special session of parliament to get from the former Liberal party the first really sane statement respecting monetary policy. That statement was made by an acting minister of finance (Mr. Ilsley), and I take it he was speaking on behalf of the present Minister of Finance (Mr. Ralston), who was minister at that time although he had not a seat in the house. The acting minister told the house that it was intended to bring about monetary expansion for the purpose of providing full employment and to develop the resources of the nation to their full extent. It is strange that during the five years the Liberal party had been in power, on each occasion we advocated that very thing we were told that we were advocating inflation. Yet as soon as the war came along the government advocated the same thing. It was willing to bring about monetary expansion to provide full employment in a time of war, so that we might develop the resources of the nation to full capacity, but it had so little interest in the welfare of the Canadian people from 1935 to 1939, that it was not willing to provide monetary expansion to satisfy the needs and requirements of the people in times of peace. For five years the government deliberately sabotaged the life of this country. Is it any wonder that when war is declared we find ourselves in difficulties? Is it any wonder that when war came we did not have men skilled to take their place in industry?

I noticed a few days ago an item in the *Financial Post* to the effect that the production of Canada could be increased by many billions of dollars, but the main stumbling block was that we did not have sufficient skilled labour. Why have we not the required skilled labour? Had the Liberal party developed the resources of Canada between 1935 and 1939 as we continuously advocated, we would not be short of skilled labour today. They are the ones responsible for that condition, and they ought not to try in any shape or form to place that responsibility upon the opposition. They have had the full power at all times to carry out their policy, and it has been a policy of laissez-faire.

In my opinion those who have been responsible for our financial policies in the past five years, policies which have wrecked the very lives, health and morale of the Canadian people, are more guilty of treason to the nation than many people who have been arrested, because by its action the government has made it impossible for us to make the effort we should be making in this hour of crisis.

Mr. HOMUTH: I rise for the purpose of speaking to the resolution and making some suggestions to the government, which I think are of considerable importance. No one loves a political fight more than I do. I learned my politics in a hard school. But I do believe the people of Canada are not concerned with political speeches at the present time. One thing I did notice, however, was that busy as the cabinet ministers are with our war effort, they could sit here long enough to listen to the Minister of Agriculture (Mr. Gardiner) make a political speech before they went out to attend to our war affairs.

Mr. McNEVIN: Was it not in two or three schools you learned your politics?

Mr. HOMUTH: No matter what money vote we are called upon to pass, it must have some relation to our war effort. Perhaps the best thing that could have happened the war effort was the calling together of the members of the House of Commons to sit in session. Since we have come here we have been able to get some information from the government, and at least to some extent we have been able to find out things they have done and things they have not done.

In the discussion on the resolution preceding the one now before the committee I advocated the registration of man-power in Canada. The necessity for such action becomes more manifest every day. I urged upon the government at that time, and I repeat my plea now, that under this vote of $750,000,000, an amount of money be set aside immediately to take that registration. In the last few months we have had in Canada an appalling wastage of man-power and labour hours. We still have thousands of people out of work. Thousands are wandering the highways of Canada, men who ought to be in some productive industry connected with our war work.

In my home town a soup kitchen was opened last January, and under the regulations pertaining thereto a man was entitled to only one meal a day in that kitchen. Thousands of people pass through that town, many of whom, if given a chance, would have joined the army, and others who would like to be in productive industry. Had we a registration of man-power those men could be allocated to our various industries and thereby give a tremendous impetus to our war effort.

As I said the other day, people are fearful of the so-called fifth column, and I believe the registration would give us a complete picture of each person, showing the birthplace of every man and every woman. Through it we would gain some idea of what we have in Canada, and would have closer contact with the people than we have at the present time. I am not so sure but that right in our government service we have men—in fact, I am sure of it—who in the last two or three years have been looked upon as admirers of the totalitarian philosophy. This is something we must check up more closely than has been done.

Then, Mr. Chairman, we must speed up industry. We were supposed to have had a complete registration of industrial capacity. Persons connected with the Department of National Defence were supposed to have gone out and made a study of all our industry. Prior to the last war, industry in Canada was not in any position to make shells, because it had never made them. Finally however our industrial activity was geared up to the making of shells, and as a result we turned out millions and millions of them. To-day the first thing we must do is to get the machinery necessary for their manufacture. So far hundreds of manufacturing plants scattered throughout Canada have not yet been asked to produce the machinery necessary for the production of munitions in the smaller centres. There are thousands of plants in Canada which could produce munitions of some kind, but I feel we have not put enough energy into organizing the industry of the country. It is quite true that the last few weeks have brought this home to us perhaps more than anything else, but do not let us fail. Let the government go ahead and speed up these things. I feel that the government have not been as frank with the country and with the members of this house as they ought to have been.

When I was questioning the minister of supply the other day about certain matters, he told me that he supplies everything he is asked by the Department of National Defence to supply. In other words, if these things are not being ordered, it is because the Department of National Defence has not ordered them. Apparently it is the fault of the Department of National Defence if tanks, anti-aircraft guns and anti-tank guns are not in production. The other day the Minister of National Defence (Mr. Rogers) told us the story of the Bren gun and admitted on the floor of the house that Bren guns were not produced.

Mr. MARTIN: Surely that is not so.

Mr. HOMUTH: The minister said that distinctly. If the hon. member will look at *Hansard*, he will find that the minister said that.

Mr. MARTIN: Will the hon. member permit a question?

An hon. MEMBER: Give us the reference.

Mr. MARTIN: Surely that is not the fact.

Mr. HOMUTH: Oh, yes.

Mr. MARTIN: That is a very serious statement.

Mr. RALSTON: Bren guns are in production.

Mr. HOMUTH: The minister of supply is in the house and the Minister of National Defence is not. I could take no other meaning than that out of the minister's reply the other day.

An hon. MEMBER: Read it.

Mr. HOMUTH: I could take no other meaning than that they had not yet completed production of Bren guns, that they were waiting because there had to be some modification which was coming from England. That is what the minister said. Under the terms of the contract the production of Bren guns was to start at the end of the twenty-fourth month, and 1,000 guns were to be delivered between the twenty-fourth and thirty-sixth months. We have been told continuously ever since war broke out, particularly during the election, that the Inglis company was far ahead of schedule in the production of Bren guns. If that is the situation, then why have we not had production of Bren guns? I think I am correct in making that statement.

Mr. HOWE: The statement of the Minister of National Defence, as I recall it and as the facts would warrant, was that Bren guns are in production but have not been issued because certain modifications recommended by the War Office must be made before the guns are issued.

Mr. HOMUTH: I quite agree with the minister that Bren guns are in production.

Mr. ROWE: But not produced.

Mr. HOMUTH: I am saying that they are not produced.

Mr. HOWE: They are produced.

Mr. HOMUTH: There is some modification which has to come from England. I am not finding fault with that. The people of this country are no longer going to be lulled into a sense of false security. They want the truth. They are not afraid of the truth. Let us speed up these things. About two weeks ago I listened to a programme over CBF entitled

"Canada at War". This included a description of a trip through the Bren gun plant, and it ended up with the knocking down and building up of a Bren gun, with all the attendant noise. The final bit was the firing of a Bren gun. If this matter entails a mechanical problem, then that is something for the engineers in charge to solve. If it is simply a lack of labour, then that is all the more reason why we should have a national registration. With a national registration the labour competent to do this job could be put at it. Perhaps other industries could be making certain parts of the Bren gun and thus help to speed up production. I do not say this in a spirit of criticism, I say it because each and every one of us is much concerned about the situation here in Canada, even for our own defence.

There are artillery units training in Canada which have never fired a gun. There are machine gun units which have no machine guns with which to train. These matters cannot be kept from the public because the boys who are in these units come home for leave. These boys are getting tired of the sort of training they receive. They feel they are not getting the training for which they enlisted. Our industries should be geared up to produce the commodities we need and enable these men to get the type of training for which they enlisted. Everything possible should be done for them so that when they do go over there they will have an equal chance of coming back. That is the whole story, and that is my reason for urging this on the government. As I say, the men in many of these units are disgusted because they have not had the proper training. They play baseball and softball, but we will not lick the Germans by throwing stones at them. We must have something better.

My reason for rising at this time is to ask the Minister of Finance (Mr. Ralston) or the Minister of Justice (Mr. Lapointe) if he will give some assurance along these lines. If that is done, I believe the people would respond. They would then feel that something worth while was being done. Give us the assurance that a national registration will take place as soon as possible. It is something that could be done quickly and cheaply.

There is another matter I intended to deal with, something that concerns the Minister of Labour (Mr. McLarty). We are now beginning to pay the price for the cost-plus contracts which were given out by the Department of National Defence. Under these contracts the profit is based entirely on the cost of production. What has happened is that in a desire to speed up production, certain industries are going to other industries and coaxing men to come and work for them at wages far in excess of what they are getting. Men are being taken away from industries which have government contracts obtained by tender and are being employed in industries with cost-plus contracts. The result is that certain industries are being slowed up in their war work. A national registration would give us some idea of what industries men could best be employed in and also provide some means of allocating labour to the different industries.

There is no one more willing than I to see men get more wages than they are getting at the present time, but we must remember we are in a war. It is not a Liberal or a Conservative war; it is a war that concerns every man, woman and child in this country. This matter is something the Minister of Labour should take cognizance of and see what can be done. I urge the government as strongly as I can to have a national registration immediately so that the people will feel that they are being given an opportunity to see what part they can play in this war.

Mr. CLEAVER: Mr. Chairman, four Conservative members of this house have risen in their places and suggested the resignation of our Prime Minister (Mr. Mackenzie King). I think the time has come when private members on the government side of the house should express their views.

Before dealing with that, I should like to answer briefly the arguments advanced by the speaker who has just taken his seat and who has complained that Canada has been doing nothing about the manufacture of shells.

Mr. HOMUTH: I did not do anything of the kind.

Mr. CLEAVER: I would refer him to the speech—

Mr. HOMUTH: Wait a minute. The hon. member is not going to put into my mouth words that I did not use. I said nothing about not manufacturing shells. I said that we ought to speed up the manufacture of shells.

Mr. CLEAVER: If the hon. member was not complaining, I should very much dislike to hear him when he is complaining.

Mr. HOMUTH: You will one of these days.

Mr. CLEAVER: I would refer to the speech made by the Minister of Munitions and Supply (Mr. Howe) on May 22, part of which I will read to him.

Mr. HOMUTH: I have read it.

Mr. CLEAVER: The minister said, at page 130 of *Hansard:*

> Eight Canadian plants are at present engaged in the manufacture of 2,250,000 shells. These plants have been equipped with modern shell-

making equipment. Within a few days an additional 2,250,000 shell order will be placed. Thus within a few days twelve or more Canadian firms will be engaged in the manufacture of 4,500,000 shells. I might say by way of comparison that in the seventeenth month of the great war—

Not the seventh but the seventeenth month:

—Canada shipped 5,380,000 shells to England.

An hon. MEMBER: We have not shipped any yet.

Mr. CLEAVER: The minister went on to say:

The shells which Canada now makes or will make in the immediate future include 40 millimetre, 18-pounder, 25-pounder, 3·7 inch, 4·5 inch, 6 inch and 9·2 inch shells.

Then the hon. member complained that we have not yet had deliveries of Bren guns. I did not think any member of the present Conservative opposition who sat in the house in the last regular session and urged the cancellation of the Bren gun contract would have the temerity now to rise in his place and criticize this government for maintaining that contract in force. The people of Canada are grateful to the government for retaining the Bren gun contract, and that we are now in actual production instead of having a year's delay.

Mr. HOMUTH: Let us have another political speech.

Mr. MARTIN: We might as well have a few.

Mr. CLEAVER: I believe that in this critical period the people of Canada are demanding one thing, namely, a vigorous prosecution of this war. I do not think it can be gainsaid that unity is the first requisite if Canada is to make her maximum contribution to the prosecution of this war. Second only to the strength and size of our armies and the quality of our military equipment is the necessity that the morale of our soldiers and of the public should be maintained. I say in all seriousness, Mr. Chairman, that any citizen of Canada or any member of this house who without justification attempts to undermine or weaken confidence in the government's prosecution of the war is positively guilty of sabotage of the nation's war effort—sabotage just as real and just as detrimental to the prosecution of the war as the sabotage of an alien enemy who destroys plant or equipment.

Mr. LAPOINTE (Quebec East): Fifth column.

Mr. CLEAVER: Those words of mine are strong words. Mr. Chairman.

[Mr. Cleaver.]

Mr. MacNICOL: Not so strong; pretty weak.

Mr. CLEAVER: But I believe that conditions to-day compel plain speaking and I intend to speak plainly, to recite facts, to draw no conclusions of my own but to ask members of this house to draw their own conclusions from the facts.

Anyone who has sat in this house during the last few days and heard member after member of the Conservative opposition from his place demand the resignation of the Prime Minister, and anyone in Canada who has read that part of our daily press which opposed the election of the present government, must fully realize the fact that there is a sinister and organized movement in Canada to-day to thwart the will of the Canadian people. The temerity and virulence of the attack are apparent to anyone who stops to think that the attack is being made within two months of an election in which our Prime Minister received the unbounded support of the people, the greatest support ever given to any Prime Minister at any time in our history. I say that such an attack is harmful to our war effort to the extent to which it has any effect either on our soldiers or on the general public. Certainly such an attack does not improve the morale of our people; certainly it does not intensify the loyalty of our troops.

Let us frankly and fearlessly look at the facts. The first member who rose in his place and demanded the resignation of the Prime Minister was the hon. member for York South (Mr. Cockeram), and what did he say? These are his words:

The record of the government since the outbreak of war is one of ineptitude and frustration. For that record he—

The Prime Minister.

—must take the responsibility. . . . I solemnly implore the Prime Minister, for the good of his country, to emulate the example of Mr. Chamberlain.

That statement was made notwithstanding the fact that the war record of the government was the issue of the last election, and notwithstanding the fact that the electors of this country weighed that war record and gave the Prime Minister their whole-hearted support. The statement of the hon. member for York South was also made despite the fact that he himself did not receive even a majority vote of the electors in his own riding.

Mr. MacNICOL: Neither did the Prime Minister in his riding, nor the Minister of Agriculture.

Mr. CLEAVER: What was the one and only reason he advanced for that request? He said that the Prime Minister should

resign because Mr. Chamberlain resigned. Let us look at the two situations and see if they bear any similarity. Mr. Chamberlain took office in May, 1937. Mr. Chamberlain never at any time appealed to the electorate of Great Britain for support as leader of a government. Then, when the crisis came a few weeks ago, what happened? Out of a house of 615 members, of his supporters 130 did not vote and forty voted against the government, among them being Mr. Duff Cooper, a former First Lord of the Admiralty, Sir Roger Keyes, Admiral of the Fleet, and many other prominent private members. The result was that out of a house of 615 members, while the Prime Minister received a majority on the division, he received a minority vote of the house, for only 281 members out of 615 voted for the government.

What about the position in Canada? We have a Prime Minister who has just received an overwhelming vote of confidence from the people, and not one of his followers in the house is in revolt. Is there any parallel between these two situations? The only persons, the only groups of individuals, the only newspapers in Canada to-day who are asking for the Prime Minister's resignation are those who opposed him as bitterly as they could in the recent election. I sometimes wonder if these gentlemen really realize that we have had an election and that the people have spoken.

Let us come to the next member of the Conservative opposition who demanded the resignation of the Prime Minister, the hon. member for Parkdale (Mr. Bruce), and let us examine the reason he advances for asking for that resignation. I will read from his speech:

> I come now to a part of my remarks which is going to be very distasteful to me. I have been a friend of the Prime Minister of Canada for many years and have admired his many excellent qualities. He was prepared, as few in this country have ever been, by long years of education and training in state-craft for public life. He is a man of high character, a man of peace.

And now here is the ground for asking for his resignation.

> I wonder whether these qualities, which are so admirable in times of peace, are not the very qualities which disqualify him now in time of war.

Let us examine this argument. As I understand it, the hon. gentleman says simply this: We do not want a man of high character to lead us in time of war. From the bottom of my heart I thank God that we have a man of high character at the head of our government. I will say this. Certainly the Prime Minister has not changed his disposition and his character since the election. To use his own words, while he is a man of peace he believes that peace can best be attained through a vigorous prosecution of the war. In any event, the Canadian people knew full well the character and disposition of the Prime Minister on March 26 last, and I believe that it was precisely because of his high character that the Canadian people chose Mackenzie King as their war Prime Minister. But as a preface to his demand for a change in leadership, the hon. member for Parkdale stated that what he was about to say was distasteful to him. He said that he had admired the Prime Minister and that the Prime Minister had many excellent qualities. He was educationally better fitted than any other man in Canada for the post. I say that either the hon. member who made these statements was sincere, or they were just as full of hypocrisy as the kiss of Judas.

Let us look over the record. I call as my first witness a certain Doctor Bruce who spoke at Massey Hall in March last. I ask hon. members to read the verbatim report of his speech in the Toronto *Globe and Mail* of March 19. He sat on the platform and listened to Colonel Drew making the most disgracefully virulent personal attack on the Prime Minister that, in my opinion, has ever been known in Canadian history. Did he upbraid that gentleman for making that attack? No; he doubled the offence. Let me read some of the remarks which Doctor Bruce made—and bear in mind that this is the same gentleman who, a few days ago from his place in the house, paid such a glowing tribute to the Prime Minister. Doctor Bruce gradually built up his courage until he could say what he wanted to say. He first accused the Prime Minister of "impertinence," of "domination of his own personal political machine" and of "four years of vacillation and side-stepping," and then when he got warmed up to the proper pitch, this is what he said:

> Mr. King has created the impression that if war came Canada would not be standing behind the empire.

That statement, as to the truth or as to the loyalty of which I leave the house to draw its own conclusions, was made just six months after Mackenzie King had let a united Canada into war with an enthusiasm never before equalled in our history. Doctor Bruce then went on to say:

> After being forced into war Mr. King for a full three months left the impression that Canada's contribution would be as slender as he could contrive to make it.

Those are the words of a friend.

> The scuttling of parliament was the act of a desperate man who has been masquerading as a statesman too long.

And just three days ago the same hon. member said in this house that he was a friend of the Prime Minister, that the Prime Minister was the man best fitted in Canada for public life. And listen to this final touch:

I do not believe that Mr. King is sincere in his professed desire for Canadian unity unless he has a colossal capacity for self-deception.

I say that Canada gave an emphatic answer on March 26 to the Colonel Drews and to the Doctor Bruces of this country; and now this same Doctor Bruce—

Mr. HOMUTH: I rise to a point of order, Mr. Chairman. I do not think any hon. member has the right to refer by name to another.

The CHAIRMAN: The hon. member is going too far. The rules of the house are well known. In debate hon. members must refer to an hon. gentleman as the hon. member for so-and-so. In speaking as he has just done, the hon. member should have referred to "the hon. member for Parkdale".

Mr. CLEAVER: There is some misapprehension, Mr. Chairman; I was referring to the Doctor Bruce who spoke in Massey hall.

Some hon. MEMBERS: Order.

Mr. MACKENZIE (Vancouver Centre): I submit, Mr. Chairman, that the hon. member is quite in order in referring as he has done to the hon. gentleman, who was not then a member of the house. The hon. member was quoting from press extracts of remarks made by a gentleman who was then Doctor Bruce and is now the member for Parkdale.

The CHAIRMAN: The ruling has been given. The hon. member made two references to the hon. member for Parkdale (Mr. Bruce). The first reference was to a speech by the hon. member for Parkdale before he was elected a member of parliament. That was in order. But later he referred to the hon. member for Parkdale after his election, and there he was out of order.

Mr. CLEAVER: Thank you, Mr. Chairman. I understand your ruling to be that the Doctor Bruce who made the speech in Massey hall before he was elected to this house is the same gentleman who is to-day the hon. member for Parkdale. And with that Massey hall speech still fresh in his memory as it must be, with those virulent attacks on the Prime Minister still fresh in his memory as they must have been, he rose in his place in this house and said:

I have been a friend of the Prime Minister of Canada for many years and have admired his many excellent qualities. He was prepared, as few in this country have ever been, . . . for public life. He is a man of high character—

An hon. MEMBER: Dispense. Keep to the motion.

Mr. CLEAVER: In my opening remarks I said I would not draw any conclusions of my own but would leave it to hon. members to draw their own conclusion, and I now ask them to do so.

Throughout the years we have heard a good deal of the so-called loyalty of the Conservative party. I confess with shame that as a young man before going overseas during the last war I was deceived into voting for Union government. But to-day when I see the workings of these self-styled loyalists, these conspirators who are seeking to undermine the unity of the Canadian people—

Mr. HOMUTH: I rise to a point of order. The hon. member has no right to refer to any other hon. members as conspirators. If the hon. member wants to make political speeches, I will meet him on any platform in the country.

Mr. CLEAVER: I withdraw the word "conspirators." The hon. member came to my riding—

Mr. HOMUTH: Mr. Chairman—

The CHAIRMAN: The hon. gentleman who has the floor just said he was withdrawing the word "conspirators."

Mr. HOMUTH: I did not hear him.

Mr. CLEAVER: I withdraw the word "conspirators," and I say the men who conspired together.

Mr. HANSON (York-Sunbury): I rise to a second point of order. The hon. gentleman has made matters worse. I ask that those words be withdrawn, because in effect it is charging hon. members on this side with being conspirators. Let us have decency and a little decorum.

Mr. LAPOINTE (Quebec East): I listened to the hon. member very attentively; he did not refer to any member of the house just now. As a matter of fact, I know and hon. members know that if there is a conspiracy it starts from somewhere outside the house.

Mr. CLEAVER: I do not want to offend the sensibilities of Conservative members, and I will withdraw the word "conspired" and say "communed" together. In reply to the hon. member for Waterloo South who challenges me to meet him on a platform, I should like to tell him and hon. members of the committee that he came to my riding

during the election, spoke at the town of Milton, and gave me the largest Liberal majority ever turned in by that municipality.

These gentlemen who have communed together, these self-styled loyalists, provoke in me such scorn and contempt for their tactics as parliamentary rules do not permit me adequately to express.

I would have respected the hon. member for Parkdale if he had used words like these: "I have been a staunch Conservative all my life. I have received in the past high honours at the hands of my party; I have always opposed Mr. King; I have permitted unfair personal attacks upon him to go unrebuked; I have myself made bitter partisan attacks on him; I tried to defeat him in the last election, but I miserably failed. Notwithstanding all that, I am still willing to try to force him out of public life, even if it does affect the war effort of our war leader."

There is another thought. The Conservative members demanding the resignation of Mr. King have suggested that Colonel Ralston should take his place. I ask hon. members, if Colonel Ralston should become Prime Minister—

Some hon. MEMBERS: Order.

Mr. CLEAVER: If the Minister of Finance should become Prime Minister, just how long would he have the support of the Conservative opposition? Twenty-four hours? I do not think so. Has the Minister of Finance ever suggested that he could make a better contribution to our war effort in any other post than the one he so ably fills to-day?

Mr. HOMUTH: He is too modest.

Mr. CLEAVER: Has the Minister of Finance ever suggested or hinted that his war effort has been thwarted or injuriously affected in any way by the Prime Minister?

Mr. RALSTON: Quite the contrary.

Mr. CLEAVER: And I ask this further question: Just when did it become the duty of the Conservative party to pick a leader for the Liberal party? I frankly admit that they have had plenty of practice in picking leaders recently, but I would not say their efforts have been marked with conspicuous success.

I say to the opposition: Let us quit this quibbling. If you doubt that the Prime Minister has the support of this house, be men, have the courage to put the question to an issue. Let us have a vote. Then accept the result of the vote and get on with the war.

If I read public opinion aright, it is thoroughly disgusted with the exhibitions of partisan criticism on the part of some hon. members—I do not say all—of the Conservative opposition. If we keep this up, and do not settle this question once and for all, these criticisms will do positive harm to our morale and our war effort.

While Canada demands that our war effort shall be prosecuted to the full limit of our ability, to those who say we should not count the cost I say that we would be doing a serious disservice to Canada's war effort if we committed Canada to financial obligations in excess of our ability to pay, and as a result, brought on a financial crisis.

In conclusion, let me say to the government: We are behind you to a man. In the light of the present crisis we believe that perhaps you have not done quite as much as we would have liked you to do, but go ahead with your task, and whatever sacrifice you demand of us will not be too great.

Mr. CHURCH: The hon. member for Halton (Mr. Cleaver), who has just resumed his seat, has preached the parliamentarian's religion of the line of least resistance. I went to law school with his respected father some years ago, and I am not surprised at what the hon. gentleman has said. No doubt, in view of the political speech he has made he will qualify for some preferment or portfolio before the war is over, under the present pacifist, isolationist policy of this government.

I have taken a non-political stand, since I came to this parliament in 1921, on the question of defence and foreign affairs. I am a British imperialist, and I am not ashamed to say so. I am an unashamed Conservative as well; I ran as one in the last election. Since I have been in this house I have not adopted the policy of following my leader at all times, and that your leader is your policy, as the previous speaker does; I do not believe that is a policy consistent with our democratic parliamentary form of government. That policy has been found wanting in Ontario. I realize that everything we have to-day in this country in the way of liberty and freedom, we owe to the mother country. Just a year ago His Majesty the King departed from the city of Ottawa. As he went across this country the tremendous popularity of the monarchy was shown everywhere, and the love and affection the people of Canada hold for their king and queen. In my opinion, however, the popularity of our own form of government is not so great. We have been slow to notice the decline and decay in popularity of our parliamentary institutions and of the House of Commons during the last few years, brought about by the way in which the executive have usurped the functions, rights and privileges of

the private members of this house. We have been slow to see also the way in which the great dominions have been drifting away from the mother country since the last war. I referred to this during the debate which was opened last session under the auspices of the government, by a government member, the hon. member for Selkirk, through his motion regarding the status of Canada in war time, that parliament should decide the question of war, just as if we were a separate country and could remain neutral if we wished, in a war on Great Britain. I do not like to refer to it, as the hon. member is not here.

What is the situation? In the last war Germany fought the whole civilized world for four and a half years. At that time we had allies such as Italy and Japan, whom we never should have lost to please another country; and towards the end of the war the United States came in on our side. To-day Germany is far stronger than she was in 1914, when only the efforts of the mother country and her glorious dominions, and France, and towards the end of the United States, were sufficient to beat her. I was not a member of this house at that time, but we were slow to appreciate the change brought about by that war. The present generation, and many of the last generation, forgot that nothing was ever the same after Germany convulsed the world in 1914. That fact has been overlooked by the professional politicians who, like the Bourbons, learn nothing and forget nothing. Politicians we are and politicians we shall remain! The politicians in this house receive tumultuous applause at the hands of their supporters in this house and the hangers-on outside. The country does not expect Canada to beat Hitler by keeping the lights of the parliament buildings burning until midnight. We will not beat Hitler by the way we have been carrying on recruiting, on again, off again, on again. We will not beat him by majorities in parliament, by desk thumping or by yes-men, by nodders and pacifists in our country who caused this war. We will not beat him by parliamentary repartee or by blindfolding the public, as we have done for the last five years in regard to the real state of affairs throughout the world in respect to defence and foreign affairs. We in Canada, in parliament, have allowed the public to know just so much of the facts as they could learn through those who lead this government, or from those who write columns in the newspapers; the government have refused to give the people the facts.

The object of a newspaper, as I see it, is to give the people all the facts. What was said by the editor of the great Yorkshire *Post* when he retired last year, about the press of England having kept from the public the real facts about what went on in parliament? He said that the acid test of a newspaper was the way in which it reported the proceedings of the House of Commons, the way in which it let people know what was going on in the country's parliament. This House of Commons, together with the other chamber, is the only forum in which the grievances of the public can be brought up and remedied, and where the public can learn all the facts about this war and about the policy of hon. gentlemen opposite. It is the only place where we can get a proper explanation of the actions of the government on their policies, and the reply of the opposition to it all. We have never had an adequate explanation of the policy of this government with regard to defence and foreign affairs. The staff of the Department of External Affairs have conducted the business of that department as though it were their own private business, and have told the public only what they want to let them know.

I am not blaming the press; I blame parliament. Probably the speeches here are not worth reporting, as one editor told me a few years ago. But there is another agency I blame even more; that is the radio, which is competing with the press to-day in the dissemination and distribution of information. I have paid tribute in the newspaper bill to the press of this country as a thoroughly honest, reliable body. I have paid tribute to them for the way in which they carried on both before and after Munich, in spite of the heavy costs of getting news, and publishing; but I really believe parliament is the only place where the people may find out what is the policy of the government, of the opposition, of the groups to my left, and all that sort of thing, and the public rely on the press for it. Mr. Chamberlain in January, 1939, told the House of Commons that if the people were not allowed to know the facts, but were told only so much as their rulers allowed them to know, then the government was embarking on a course that in future would be fraught with great danger to the country. I quoted this on a motion to go into supply, on March 21 last, criticizing the defence policy.

I have nothing to do with who may be the leader of the government; he has been elected by the people, and that is for them to say. The people deserve the form of government they voted for and got. I have no desire to criticize the Prime Minister. Far from it; I have known him perhaps longer than any other hon. member in the house at this moment, and I can say that he has always acted the part

of a gentleman to people, and has been most courteous and kind in debate. There have been one or two exceptions, so far as I am concerned, but that is all. It is not for me to criticize the Prime Minister; he has been elected by the people who placed him where he is. But I point out that it is no disparagement of the front benches of the government to say that there are many men who as ministers have done most excellent work in peace time, yet in war time some are not suitable, do not take the needed action, and delay things. Criticism in France and Great Britain has been most useful. It has served as a tonic to governments, and sometimes it has been a blessing to them.

I am not reflecting on the government when I say that I believe our political executive have fallen down badly throughout the world since the war started. A different form of administration and a different manner of facing problems are required in war times from what is necessary in peace time. In my opinion the Prime Minister has been too much of an analytical intellectualist, and does not know how to combine or cooperate, or to decide promptly, and he does not know how to create a plan for the future or for the immediate prosecution of so great a war, nor does he see the significance of the policy of his drift in war, which was so severely condemned by Napoleon and by other great military leaders of past years.

He has conducted defence and foreign affairs as if this was a secret war, and has kept the information not only from members of parliament but from the country at large, as if it were his own personal business. Certainly we cannot get any information along defence lines, such as is given in the British parliament. He is conducting a limited liability war and a secret war. Even in respect of recruiting one is led to the conclusion that it is a secret war. Recruiting has been interfered with by the policy of exempting large bodies of people, to begin with, and by proceeding in an on-again, off-again, on-again manner. That has been followed to such an extent that we have the announcement of third and fourth divisions ten days ago, but when young people go to the recruiting offices this week to enlist in the air force, army or navy, they are met with the response, "We do not need you; we need only skilled craftsmen." Those young men cannot get jobs, cannot get relief, and cannot join the army, with the result that many of them find themselves in the awkward position of going back to panhandling and riding the rods, although able-bodied. If the government of the day had not brought about these recruiting delays, Canada would have 600,000 men in the army to-day, from coast to coast under a voluntary system. That is the best system, if the people can get the facts, and it is the one which appealed to me and to others during the last war.

I believe, however, that the government have misjudged the whole question of man-power and have refused a national register. Three years ago I asked a question respecting man-power, food, industrial and economic power, and suggested a survey of large and small plants so that we might know our economic possibilities. I do not like to say anything respecting the Minister of Agriculture (Mr. Gardiner) when he is not in his seat, but the fact remains that some time ago, in 1937-39, when I saw war coming, I asked if he would establish food reservoirs in England, in view of the submarine menace which existed during the last war which almost starved out England in Easter, 1917. He was in England, but nothing was done. To-day he has made a political speech which will mean little or nothing to our troops overseas, but which brings joy to the government following in the house, while brave men are risking their lives.

Do not let us forget that on the eve of closing the session last May and June, I called the attention of the government to commitments given by Great Britain in 1939 which would, before the end of summer, mean war to Canada. I pointed out that on March 15, 1939, the Germans by force seized Bohemia and Moravia. On March 22, 1939, the Germans took Memel. On March 31 the British Prime Minister gave a pledge to Poland, in these words:

> If Poland is attacked, in such a way as made it necessary for her to resist, his majesty's government would feel themselves bound at once to lend the Polish government all support in her power.

I pointed out that on April 7 Albania was attacked and occupied by Italy, as Italy had become a vassal German state. On April 13 the British Prime Minister addressed parliament in these words:

> Britain has given formal assurances to the Greek and Roumanian governments that if they were attacked Britain would lend them active support.

I pointed out that on April 26 the British Prime Minister adopted conscription, when over 300,000 youths under twenty were called to the colours. Only two per cent of them registered as conscientious objectors.

I pointed out all those commitments, and then asked the government to state its policy because the dictators were after Canada, and we would be involved. What is the policy of hon. members opposite? We have eighty-five

new young members in the house, and one might say that they are our hope. Yet the applause means they follow their leader. I did not agree with what was said on defence and foreign affairs by many hon. members who sat in the last parliament, but we must remember that we have these eighty-five new members, and we may hope that they will instil a little more life and spirit into the proceedings of the house. I would say to them, "Go not with the multitude to do wrong" and trust the people and they will trust you. And so I say to them and to members of the government: What was the policy of the government when those commitments were given by the British government? War was then in sight by a few weeks. The Prime Minister in England told the House of Commons last May that Great Britain would have to be prepared to sleep on its haversacks during the coming summer. Somewhat later I asked, through a newspaper article in the *Globe and Mail* of Dominion day, July 1, 1939, on the same lines:

Where, oh, where, is Canada? Is she still asleep? The Department of External Affairs is asleep. Our Canadian parliament were meeting all the above months this year and were kept in the dark, and the press silent also on Canada's part on all these commitments on such a world-wide front. Also re Japan and the Pacific.

Is Canada secure? No. We may have the awful horrors of war on our own soil, yet this year, while the Rip Van Winkles at Ottawa are asleep. If a storm comes on any of these fronts from Germany, Canada will be involved at once and all Canada's merchant ships on the seven seas will by German law be considered as belligerent.

To meet all this, Britain has only a small army—a regular army of 224,000 men only; below this strength even.

A territorial army of 325,000. Some new recruits still untrained. Anti-aircraft defence force only 96,000, and Britain has 2,000 less ships to carry food than in 1914.

Then I commented on the submarine menace. What did the government do? It did nothing, right down to the hour of the war. It did nothing after Munich. At that time we had what amounted to almost an explosion in Canada, in the press, on our unpreparedness on land, sea, and in the air. In that dark week in September, 1938, and even after Munich the government of the day did not bring down any policy, and had none but neutrality, dependence on the league and collective security, isolation, separatism and pan-Americanism.

After parliament closed the Prime Minister came to Toronto, and while there, in April, 1939, made a speech at the Royal York hotel. I have a copy of several pages of the meeting, but in it I find no real reference to defence or the war—only a few lines—and that was less than thirty days before war was upon us. I ask the people of Canada what they think now of the public men in all parties who have been responsible for the helpless and defenceless position of this country when war came. I ask that question, because for the past four years I have been non-partisan in the matter so far as defence of the empire goes. When war broke out, what did our people think of our public men in this government who kept them in the dark and had no defence policy up to the very hour of the war.

As head of the Department of External Affairs, in season and out of season the Prime Minister has been teaching what? He has taught that peace pacts and protocols and peace agreements could take the place of service and sacrifice and rearmament. May I point out to him that in the whole history of the world that has never been so, and it is not so to-day. We see results of it at the present time, to our great humiliation as a people. The weakness of our army, navy and air force when war broke out led the dictators to believe that the dominions would never fight. That was the belief in 1914, when Germany thought that the empire was through. The pacifists and peace societies talk in and out of this house of sovereignty and collective security, and psalms of the like have led Hitler to believe that the British dominions would be neutral. In every instance since I have been here I have supported increases in the estimates for defence purposes, and in that connection I would refer hon. members to questions and answers placed before the House of Commons on February 14, 1938.

Where was Canada when Great Britain was asking the dominions to do something about the Singapore base. that great base in the Pacific ocean? New Zealand and Australia know what it means to them. British Columbia knew what it meant, and forced the government of the day to come down with a policy. On February 14, 1938, I asked the following questions of the Prime Minister:

1. Has Canada been yet invited by the British admiralty to the ceremonial opening of the new giant dry-dock at Singapore on February 11?

2. Is the government aware that the United States, New Zealand and Australian warships have been invited and have accepted the invitation according to dispatches from London, England?

3. Does Canada contribute anything to maintain maritime freedom in the Pacific or to the cost of this Singapore base—past or present—and what agreement was ever in existence about it, if any?

4. Who will represent Canada's navy if an invitation is extended to Canada?

The Prime Minister replied:

1. No.

2. No official information; press reports have been noted.

3. Canada has made no contribution to the cost of the Singapore naval base. The government know of no agreement in this respect. The expenditures upon measures for the naval defence of Canada, as approved by parliament from time to time, are shown in the records of the house.

4. Answered by No. 1.

That was the reply of the government on a matter as important as that. During this debate we seem to be forgetting the lessons of history. We must remember history when dealing with these people. Canada as one of the overseas dominions is fighting the German people, and why should that fact not be brought home to them? Why are we depending on only one division, now in England, when we should have 600,000 men, ready and equipped? Over in Germany they have raised an army, largely on the western front, of 6,000,000 men. The question now is: Can the French army hold the line until Britain is able to obtain proper reinforcements? There is no fortification yet built that can stand forever. There comes a time when a break occurs. Should the dictators get to the channel ports, then it is all over as far as Canada and the United States are concerned, because Britain and France are our first defence. Germany will trample on Britain the way she did on Belgium during the last war, and the way she has on Czechoslovakia, Poland, Finland, Holland and Belgium during this war. When dealing with these people, we should not forget that the Prussianism of modern Germany has cost Europe the loss of 12,000,000 lives in four wars. Those wars were planned long ahead after she had lulled her prey into false security. She first spread by poisonous propaganda hopes of a peaceful end and secured the wide sympathy of professors and ill-informed columnists that no war would result. That is an example of what happened in 1914. Prussianized Germany chooses her victims by pagan methods. In 1864 her victim was Denmark; in 1866 it was Austria; in 1870 it was France, and in 1914 it was France and Serbia. She adopts the same methods as those of the pirate and assassin. She begins by vilifying her victim and then mobilizes her forces. She declares she has only peaceful ends in view and attempts to hinder any preparedness that might be going on. She waits until her victim talks and then calls the answer a gross insult to German honour. She then attacks her prey in a ferocious, bloody and pagan attack.

I am tired of reading in the Canadian press that the German people are not fighting us. They are fighting us. A great editor of the Toronto *Telegram* said during the last war in answer to the babble of pacifists that "we are not fighting the German people", that "everyone in Germany was fighting us from the scavenger on the street to the kaiser". Today everyone in Germany is fighting us from the scavenger on the street to Hitler. What are we doing to-day? We sit here in this chamber and talk party politics as if it was a past war, and not a real war. We hear a lot about majorities and we spend time listening to parliamentary repartee and all that kind of thing, but that will not win the war or beat Hitler. I am rather surprised at the action of the government of the day. It has been said that criticism is a tonic which stimulates governments to action. Britain has learned this to her sorrow from experience and has learned that constructive criticism prevents governments from relaxing into blunders which are nothing but suicide. So long as criticism is honest and founded on facts, so long as it is not inspired by any political motives, then is it most helpful. This applies more to times of war than to times of peace.

The Minister of Agriculture has taken part in this debate. He was one of those who preached pacifism, neutrality, and dependence on collective security and the league. He agreed with the policies of the hon. members to my left, namely, that pacifism, collective security and depending upon such sands as the League of Nations and Washington would enable us to weather the storm and prevent our being drawn into the conflict. All this has proven not to be so. As I said the other night, I prefer to speak not as a member of this house but as a private citizen, and I am ashamed of Canada's war effort so far. I do not say that any one party is to blame but the government in the main are, for refusing to face the facts. I am ashamed when I receive blue books from Australia and New Zealand showing what those countries are doing. New Zealand was represented at the opening of the Singapore base, and that country had a dreadnought in the great war. Her ships along with the *Achilles* took part in that thrilling attack on a German craft.

The press contained a story of the capture of a German boat by a Canadian destroyer, but the fact came out later that this boat had been captured by a British warship and the Canadian destroyer was simply acting as a tugboat to bring it into port. Then the Canadian press announced under an eight column head-line that Canada was guarding

the Dutch West Indies. This story also fell through when it was shown that a Canadian destroyer was simply acting as a ferry boat to transfer 500 soldiers to the shore. I think we should be receiving information different from that kind of thing.

In 1938 the people on the Pacific coast suddenly became alarmed at the unprotected state of their long coast-line of 600 miles. The Minister of National Defence then brought down a defence policy based on a possible attack upon the United States by a trans-pacific power. In 1935 the United States under its present president adopted a naval policy whereby she was to have a navy equal in strength to that of the British navy. In 1938 our minister, when bringing down a measure for a certain amount of protection, stated that the existence of a first-class naval base on Puget sound demanded that any enemy be prevented from establishing advance bases within effective flying range of approximately 600 miles. The most northerly of the Queen Charlotte islands is within 600 miles of Seattle. He stated that it would be our responsibility as a neutral to prevent advance bases being established on Canadian territory.

From whom were we getting our protection at that time? We were getting it from the mother country and the British fleet alone, and all our defence, as in 1812, was relying on Great Britain. There are four things over which we can rejoice, all of which help to keep the dictators from our shores. First, there is geography. Second, we must give thanks for the Royal Navy which protects Canada and the United States. Third, we must give thanks for the glorious French army and, fourth, we must be thankful for the Royal Air Force. If the glorious men who serve in the Royal Canadian Air Force had been given an opportunity through the 1937 scheme, they would be over there now. In 1938 the per capita contribution of the mother country for defence was thirty times that of Canada, and Canada was $1.25 a head. In 1935 Canada's permanent active militia consisted of 3,000 officers and men and we had four destroyers. The naval forces comprised 88 officers and 781 ratings. These figures were given in a return which the minister brought down to the house.

The economy axe did fall heavily in 1930 because of the depression and other conditions and because the government of the day was listening to the prattle of the pacifists, who were depending upon pan-Americanism. To the credit of the minister I want to say that in 1938 he brought down estimates doubling the per capita cost of our contributions for defence, and four modern destroyers were acquired. But they are not modern to-day; naval personnel was increased by 65 per cent, mine-sweepers by 65 per cent, and there was provision for mechanization of the forces. That was all very well as far as it went, but the policy of Canada remaining neutral and depending on pan-Americanism, the Monroe doctrine and the policy of isolation was not right, nor was the policy of the government in following such farces as the League of Nations and listening to the babble of the pacifists who caused this war. If we had got away from these things and away from the pacifists who caused this war, we would be in a much better position to-day to defend this country.

I did not know this question was coming up to-day, but ever since I have been a member of the house I have, in season and out, opposed these policies of neutrality, isolation and dependence on Washington for our defence, and supported cooperation and co-ordination and rearmament with Britain.

Mr. BRUCE: Mr. Chairman, I do not intend to delay the committee for more than a moment or two, but I feel that if I sit quiet in my place my silence might be misconstrued.

Since coming to this house I have heard many references made to an election that was held on March 26 last. I have made no references to anybody's political speech during that campaign and I have no intention of doing so now. I entered the campaign from purely patriotic motives. I did not enter it as a partisan. I offered myself as a candidate for National government because I thought that that was the form of government best suited for Canada in this time of war. I think the hon. member for Melville (Mr. Gardiner) has given to the house the very best evidence to show that I was not and am not to-day a partisan when he said that I had an association with the Leadership League. That league was founded by a gentleman in Toronto, Mr. George McCullagh, purely from high patriotic motives. He was and is a supporter of the party which is now in power. I joined him when, after efforts of many months, he was unable to carry on. I have no apology to make to the house or to the country for anything I did on that occasion, nor have I any apology to make for what I have done in the service of Canada since I was old enough to do it.

I should like to say to the members of this house and perhaps to a larger audience outside that the day after war broke out I offered my services in any capacity to the then

Minister of National Defence, the hon. member for Vancouver Centre (Mr. Mackenzie), who is now sitting in the house. Again when he was superseded by another Minister of National Defence (Mr. Rogers), thinking perhaps that the second minister might not know of that offer, I again offered my services to my country in any capacity but specifying particularly that I had certain qualifications for service with the Canadian army medical corps. I therefore offered my services specifically as a consultant to the Canadian army medical services of Canada. I received a very polite answer but nothing more happened. I should like to ask hon. gentlemen here, how many of those who have to-day been so noisy have yet offered their services to Canada?

Some hon. MEMBERS: Shame.

An hon. MEMBER: You would be surprised.

Mr. CLEAVER: I have.

An hon. MEMBER: Many of us have.

Mr. BRUCE: I know that some of them have and I admire their patriotism. I know that many who are here served gallantly in the last war. I do not intend to make any further reference to that.

An hon. MEMBER: You had better not.

Mr. BRUCE: I have no apology to make for any services I have given to Canada since the last war. I am in this house, Mr. Chairman, for the one and sole purpose of adding my small contribution, whatever it may be, towards the maximum effort by this government to win the war. At this solemn time when our hearts are heavy, when some of our fellow-countrymen are probably giving their lives in France, I will conclude by saying:

> The tumult and the shouting dies;
> The captains and the kings depart:
> Still stands Thine ancient sacrifice,
> An humble and a contrite heart.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ROSS (Moose Jaw): Mr. Chairman, when we came to this parliament a few days ago, none of us expected that there would be any political battles on the floor of this house. However, the opposition has made it impossible for members on the government side of the house to see and hear the leader of the government attacked day after day without replying. The Prime Minister (Mr. Mackenzie King) wisely selected an election date at a time when there was no war hysteria in this country and the people had a chance to vote coolly and calmly on the issue. The slogan of the opposition was that "King must go." The election was fought on this issue—whether Mackenzie King and the Liberal government should lead Canada through the war or whether the National government should take their place. The most decisive defeat in the history of Canada was sustained by the National government forces and by those other forces who stood up against Mackenzie King in that election. The greatest mandate, the greatest vote of confidence ever given by the Canadian people was given to Mackenzie King and the Liberal government in the last election. The people of Canada surely thought that the matter was settled for at least four years and for the remainder of the war if it should exceed that period. I thought when I came here that there would be no politics, that all members would endeavour to assist the administration at this time; but although the Tory party was decimated in the election, the members of that party still have the Tory mentality that they are born to rule. They cannot understand that the people have a right to speak—and the people have spoken most emphatically.

The Minister of National Defence for Air (Mr. Power) this afternoon said that throughout the two months of the election campaign the Tories had tried to get in by the front door and that now they are endeavouring to get in by the back door. I think it is by the parachute route they are trying to get in. With a war fever on, with some of our people somewhat jittery at the present time, the Tories in this house, the newspapers supporting them, and their political organization throughout the country are all endeavouring to undermine the government at this very moment—a thing that almost borders on treason. Their love of country, so loudly shouted, cannot wait for their lust for power. The wounds inflicted upon them by Mackenzie King will not heal; they must have their revenge even though it jeopardizes the very life of Canada and of the empire to-day.

A united Canada is behind Mackenzie King. He has led wisely and well for many years; his foresight has been outstanding. For fifteen years I have seen old politicians and young in this house, on his own side and on the opposition, disagree with his judgment. He has invariably been right and they have invariably been wrong. His leadership is being challenged now—by strong men? No. There are no strong men in the opposition to-day. There sits facing the government to-day, Mr. Chairman, the weakest opposition that has

ever faced a government in the parliament of Canada; and arrayed against that opposition is the strongest government with the strongest following, not only in numbers, because the new men who have come in since the election, so far as the government side of the house is concerned, are of the highest quality and compare favourably with any men who have come to this house since confederation.

The Tory organization, the Tory press, the Tories in this house cry for a new leader. I will admit that they need one, and almost anyone brought in would be outstanding at the present time. A gentleman in a high position in another place calls for a new leader. His judgment has been rejected on many occasions by the people of Canada. Perhaps the ease with which he holds a seat in the parliament of Canada by appointment has made him forget the difficulties he had in getting into it by election. The hon. member for Dufferin-Simcoe (Mr. Rowe) asks for leadership. Well, he knows something about it; he led his party in Ontario to oblivion. The hon. member for Danforth (Mr. Harris) shouts for a leader. Well, he could not get twenty men out of thirty-eight to support him in that, and they knew him much better than the people of Canada.

Last and least is the hon. member for Parkdale (Mr. Bruce). He symbolizes leadership; he is the last vestige of the Leadership League. When he started to lead it, he put his head high in the air. He never looked back, and he has not realized to this day that he is the only one left of the many thousands who formed the organization at one time. But his criticism of the leader of the government appears to be natural. He has before attempted to oust and succeeded in ousting men from high places. He spoke this afternoon of the Canadian Army Medical Corps. During the last war there was considerable grumbling in the Canadian Army Medical Corps, and it finally culminated in real dissatisfaction when some of the units of the Canadian Army Medical Corps were sent to the Mediterranean. The reasons were not apparent on this side of the water. Those in charge here did not clearly understand why, and the man who is now the hon. member for Parkdale was sent overseas to investigate. Personally I know little of the incident, so I go to an undoubted authority for my information. I shall read from the History of the Canadian Forces, 1914-19: Medical Services, by Sir Andrew Macphail, beginning at page 165:

> It was not so easy to convince Canadians of the propriety of sending medical units into areas where no Canadian troops were engaged. Nos. 1, 2 and 5 stationary hospitals had been dispatched to the Mediterranean and this afforded a new point of controversy. A piteous and moving letter to Major-General Jones from Sir Alfred Keough, director general of the army medical service, silenced all but the most unreasoning criticism: "I had not any hospitals at the moment. I called upon you for assistance. You gave me hospitals. They saved the situation. They were good hospitals, containing good officers. I shall always be indebted to you for the help you gave me at a time when I was very hard pressed. The only alternative was to send home wounded in transports, which might have been sent to the bottom of the sea if you had refused the help I asked. You were quite entitled to refuse to send Canadian hospitals where there were no Canadian troops. I am very glad you did not."
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> The inspector, after an investigation that lasted six weeks, issued his report on September 20. To this the medical director issued a reply. Both documents were reduced to comparative abstracts by a practised lawyer, and on October 6, 1916, all was placed before a body in London known as the acting overseas sub-militia council. This body was largely composed of "business men," the term that was used in those days to designate persons who were infallibly wise in giving decisions upon subjects of which they knew nothing. The report was approved, and the council advised that the necessary reorganization of the medical service be made to give effect to the recommendations.
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> The council then set forth formally that "whereas the investigation had already seriously interfered with the administration of the service under Major-General G. C. Jones, the council recommended that Colonel Herbert A. Bruce, the special inspector-general, be appointed acting director in his stead." Upon this resolution a poll was taken. All the members approved except Brigadier-General Leckie who declined to vote. Possibly the resolution was too strange and subtle for the mind of a soldier. The result of these deliberations was conveyed to Ottawa. The minister approved. By formal letter he wrote to the council, "Kindly give the necessary authority to Colonel Herbert A. Bruce, special inspector-general, to proceed with the reorganization of the medical service, as recommended in his special report to me." Colonel Bruce accordingly began his great work. His first step was to transfer the title of acting director, which the council had conferred upon him, to another officer, "as a temporary measure until a suitable man could be found." Such a measure, and the use of such derogatory words may be ascribed to inexperience and lack of aptitude.
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> In the leisure of office, if the new director had studied the abstract of the two reports, his own and his predecessor's reply, prepared for the council by the deputy judge-advocate general, he must have been astonished to read that of the fourteen recommendations he had made his predecessor concurred in eleven, partially concurred in one, concurred in another apart from the expense in carrying it out, and disagreed with only one. From this it appears that General Jones was conversant with the whole situation. In his reply he explained the difficulties in the way; and with the curious irony of events the new director encountered those very difficulties in the task which he undertook so bravely.
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> On November 20 he complains bitterly, "All I can do is to make known the requirements to

those in authority over me, and to suggest the most effective way of carrying them out, leaving to those authorities, whose province it is, the duty of taking the necessary steps." At this time he also records the discovery—a mistaken one—that "the whole matter of providing hospital accommodation is in the hands of the quartermaster-general." This experience is not unique. There is nothing in the army so difficult for an officer as making his superiors perform their duty.

In spite of his good intentions the new director found himself roughly taken to task for failure to have those matters settled which he had already explained were no affair of his —after he had made a report upon them. In his own defence he was obliged to write on November 20 to the overseas minister "that he had repeatedly and vainly brought them to the attention, both in writing and verbally, of the sub-militia council and the responsible heads." He protests that action on his part was not delayed, but that on the contrary he had placed the matter before the sub-militia council on four separate occasions—the same council which had judged so sapiently between himself and the previous incumbent. Again he is writing direct to the overseas minister, who recommends him to operate through the usual channels. He was obliged to confess that after writing letters since August 26 at "the present moment the venereal situation is most serious and is becoming more so." Indeed he is more critical of the service under his own direction than he was when it was under his predecessor.

Within a month of assuming office he was writing: "Administrative work of this character is distasteful to me." Inspection, criticism and reporting was much easier. Administrative work is distasteful to all soldiers, but they do it. The irony of a soldier's life is that he enters the army to escape from books, and if he succeeds the remainder of his life is spent amongst files, which are books of the most desolating kind. When a military board was called on November 16 to review the report he had made he cabled to the premier protesting against its membership and asking to be relieved and sent home. To this request no answer was received, which was a sign that a new system had come into being. He was relieved of his appointment December 30, 1916, and General Jones was reinstated in his stead.

Now, Mr. Chairman, my hon. friend brought up his service in the medical corps this afternoon, and I just wanted to read that statement from an undoubted authority. The hon. member has ousted people from high places before and had his own nominees put in their places. On this occasion I am certain that he had unbounded confidence in the man that he had placed in General Jones' position. It is men of this kind who are trying to wreck a government in the greatest crisis in Canadian history. But they will not succeed. They are the light brigade—in name only; very light. This government has the strongest support in the country that a government ever had in Canada. This government has the strongest support in the house that it or any government ever had. This government has the wisest and strongest leader that ever sat in this House of Commons since confederation. No man has ever earned or received the whole-hearted support from his party so much as has Mackenzie King, the present leader of the government. In addition, he holds the respect and friendship of those outside our borders, a situation which is very important for the British empire at the present time. I did not think we had to come here to answer the gibes of the opposition. I think it is time we stopped this political sniping in this house. We have an important job to do, which will take our best thought and all our time.

Mr. HARRIS (Danforth): Let us get at it.

Mr. ROSS (Moose Jaw): That is right; let us get at it.

Mr. MAYBANK: Mr. Chairman, I do not think I need say anything to this committee in order to convince hon. members that I am not likely to pay court to any person, to speak in complimentary terms of any person or anything of that sort merely because some person else may have done so. I have maintained, as I propose to continue to maintain, an attitude of what I believe to be healthy independence. But in view of the remarks that I made a few days ago in this house, I must say that I have been appalled at the attitude taken by some hon. members, particularly those of the Conservative opposition, during the last few days. To-day we have had a sort of field day in the way of reply. Some bitter things have been said. I do not propose to follow along that line, but to the two hon. gentlemen who have been singled out in particular to-day I must say this. They have no one but themselves to blame if they have been dealt some rude blows here this afternoon. The hon. member for Parkdale (Mr. Bruce) ought to know, if any person should, that by the speeches he has made in this house he has not been advancing the war effort of this country. Surely if there were to be a reorganization of the government, his proper place in it would be as a minister of misstatement. And the oratorical exhibitionism of the hon. member for Dufferin-Simcoe—well, it has been forty minutes plus forty minutes plus forty minutes plus forty minutes of delaying the game, delaying the work of the house. That is the contribution he has made.

I do not propose to deal at any length with the absurdities by way of misstatements made by the hon. member for Parkdale—I almost said the minister of misstatement—particularly with reference to the tanks he would manufacture. I wish to get away from that immediately, Mr. Chairman, and to say to the committee that we have before us a resolution stating that authorization should be given to raise a certain amount of money by way of

loan, and all this is related to getting on with the war. I am going to propose, more particularly to the members of the opposition, but to all other hon. members as well, that we impose upon ourselves, in connection with any measure coming before the house concerning the war effort of Canada, a self-denying ordinance and speak for not more than ten minutes, without insisting upon the right of private members to speak for forty minutes. Of course that which would form the subject matter of the speech would be a question of taste and judgment, but it seems to me that we can boil down what we have to say to mere factual statements and get away from all the turgid oratory of the kind we have been forced to listen to in the last few days. If we do not do that, Mr. Chairman, or something of the kind, we will have first one person on one side of the house making a statement which will provoke some person on the other side of the house, so that we will advance almost not at all.

Having said that I think we ought to confine ourselves to statements as short as possible, I feel that it is time I myself should stop.

Mr. JAQUES: I do not think we in this group can be accused of playing politics, but I should like to say that I believe most people outside this house will agree that the fate of this government or of parliament itself will depend not on the amount of thumping we give our desks but on the thumping we give the common enemy. In view of certain statements that have been made as to the policies of this group, I should like to read two planks from the platform we used in Alberta during the election campaign. The first plank is:

> We believe that Canada should finance her share in this war by the creation of the necessary debt free credit and currency, with definite price regulations to prevent any inflationary rise in prices, thereby enabling the dominion to give the most effective support without the nation incurring huge debts by borrowing or resorting to exorbitant taxation.
>
> We strongly support the just demands of Canadians for the greatest possible equalization of sacrifice, including adequate measures to ensure the present and future economic security of all our people. We affirm that the conscription of finance, without expropriation of individual's property or money, should precede the conscription of man-power.

The other plank is:

> We are opposed to any private or corporate monopoly of money and credit. Until the active control of the creation and issuance of all money and credit is taken over by the federal government, no real democracy, general prosperity or economic security can be enjoyed by our people.

This measure is similar to one which a year ago was the subject of a long debate in this house, followed by an inquiry conducted by the banking and commerce committee into our banking and financial system. That inquiry brought out some useful information which not only has not been publicized but has been denied in the press generally. In fact we in this group have been accused of misstatements when we have stated them on the platform and in the press. I should like to read one or two questions and answers which occur at page 285 in the evidence of Mr. Towers. I might add that the bulk of the questions were put by an hon. member who sits on the government side of the house. Here is one:

> Q. Ninety-five per cent of all our volume of business is being done with what we call exchange of bank deposits—that is, simply bookkeeping entries in banks against which people write cheques?
>
> A. I think that is a fair statement.
>
> Q. When you allow the merchant banking system to issue bank deposits—with the practice of using cheques—you virtually allow the banks to issue an effective substitute for money, do you not?
>
> A. The bank deposits are actually money in that sense.
>
> Q. As a matter of fact they are not actual money, but credit; bookkeeping accounts, which are used as a substitute for money?
>
> A. Yes.
>
> Q. Then we authorize the banks to issue a substitute for money?
>
> A. Yes I think that is a very fair statement of banking.

And another statement which has been denied so often is this statement of Mr. Towers:

> The banks cannot, of course, loan the money of their depositors.

And then follow these questions and answers:

> Q. You will agree with the statement that has been made, that banks lend by creating the means of payment?
>
> A. Yes, I think that is right.

And then, with respect to financing a war there is this statement:

> So far as war is concerned to defend the integrity of the nation there will be no difficulty in raising the means of financing whatever those requirements may be.

We have been told—in fact the vast majority of people believe—that the efforts which can be made not only in war but in peace are confined to the money which the government can borrow from savings or raise by taxes. But Mr. Towers answered that question differently when he said this:

> The limit of the possibilities depend on men and materials.

Had that fact been fully grasped, not only by the people at large but, I will venture to say, by this government, and had it been acted upon, I believe that we should have been able by this time to have made a very much greater contribution to the war than has been made up to the present time. When

I say that, I have no political meaning whatsoever. I am not blaming this party or that party; I am merely condemning a system of finance which both parties administer.

Finally—and I offer this from page 771 as the most illuminating of the answers to the questions:

Q. Would you admit that anything physically possible and desirable can be made financially possible.

A. Certainly.

I have before me an extract from the report of a royal commission which was set up to inquire into the monetary and banking system of Australia. This commission, which sat in 1938, found as follows:

Because of this power the Commonwealth Bank—

Which corresponds, of course, to the Bank of Canada.

—can lend to governments and to others in a variety of ways, and it can even make money available to governments and to others free of any charge.

And that is amplified by this statement:

The statement in the paragraph mentioned is to the effect that as a matter of power the Commonwealth Bank can make moneys available to governments or to others on such terms as it chooses,—even by way of a loan without interest, or even without requiring either interest or repayment of principal.

Now, as a consequence of the financial system which, I might say, controls not only this parliament and government, but all other parliaments in democratic countries, taxation becomes so burdensome that it is impossible to finance the necessary things which should be done. I should like to quote from a speech made in the House of Commons in England by Mr. Lloyd George on February 12, 1931, in which he said this:

I want to urge the chancellor again not to be frightened of the city of London.

And I might say that the city of London means, of course, the Bank of England.

Since the war the city has been invariably wrong in advising the government. Deflation was wrong and it had most injurious effects. They have been wrong every time, and there is no doubt they were using the whole of their tremendous influence for the purpose of restricting the raising of money for national development. Take the cause of the depression throughout the world at the present time: There is not a man who has examined it who will not tell you that a very large part of it is due to the mishandling of monetary questions on the advice of the money barons. These men who have mishandled this monetary question not merely advise what to do but establish a veto upon every proposal which is made for national development. If you go to the city of London, what is their remedy for the depression? Their only remedy is by placing artificial barriers to prevent plenty from reaching want.

And I say this, that not only has our failure so far been one of not doing what we could have done in aiding in the prosecution of the war, but I believe that the very war itself was brought about by those conditions. And I believe that so long as you have the policy of nations controlled by the money-lenders, there is not much hope for us.

When the then Acting Minister of Finance (Mr. Ilsley) introduced the war budget last September, he said that no matter how the war was financed, the real costs must come out of current production. That is true. The real costs of the war are precisely the blood, the sweat and the tears which must be shed in the fighting of the war. When the war is over, the real price has been paid. But we are still paying for the last war. In Great Britain they are still paying for the Boer war and even for the Crimean war. I ask hon. members to consider the debt which will be accumulated by this war. I ask them to add it to the debt accumulated by the war of twenty-five years ago and then ask themselves what will be the total debt of this country and what taxation will be necessary to service that debt.

At general meetings which were held in Montreal and Toronto throughout the winter, our bankers expressed the opinion that when we have won this war we can look forward to generations of hard times. I should like to direct the attention of the proper minister—I do not know whether it would be the Minister of Justice (Mr. Lapointe)—to the fact that such statements have an adverse effect upon recruiting in the country and the enthusiasm of our people for war. A number of people have said to me that apparently it does not matter whether we win or lose, we are going to be ruined anyway. I do not think there is any need of having generations of hard times. It must be because these people, as Mr. Lloyd George has said, control the policy of governments. I think that sort of thing has done more harm than the statements of these people who have been put under restraint.

If our present system of government cannot prevent generations of hard times, then it cannot survive. We shall have to get some other form of government which will give us some measure of prosperity instead of generations of hard times. I should like to quote a statement by Mr. Philip A. Benson, president of the American Bankers' Association, made during a speech delivered at Milwaukee on June 8, 1939. He is quoted in the New York *Times* of June 11, 1939, as follows:

There is no more direct way to capture control of a nation than through its credit system.

We believe that it is possible to finance this war without piling up this enormous debt. If debts are piled up during this war as they were during the last, then I cannot see how we shall survive the peace. If we win the war, we certainly shall have deserved a better fate than generations of hard times. I suggest respectfully to the Minister of Finance (Mr. Ralston) that he continue the sittings of the committee on banking and commerce. Experts should be called in to see if there is no practical possibility of financing this war without creating a debt which will throttle the life from the nation.

Mr. POULIOT: Mr. Chairman, after listening to the hon. member for Wetaskiwin (Mr. Jaques), I have come to the conclusion that he is the victim of an illusion. He is confounding an accessory with a principle. As everyone knows, currency is simply an accessory which makes up the difference in trade and barter. In the view of the hon. gentleman this country should issue a different kind of money. Then our soldiers would be paid with little pieces of paper, similar to this piece I am exhibiting, which is torn from an order paper. That would satisfy my hon. friend and the members of his group. Such paper would be worth nothing, but my hon. friend would be satisfied. He would have reached his goal.

I know the hon. member for Wetaskiwin as an intelligent citizen, but I cannot understand his scheme. I have listened to members of his group expounding their theories in the house and quoting Lloyd George and Doctor Schacht, reading extracts from speeches delivered in Milwaukee, quoting speeches by Mr. Aberhart and by the illustrious Mr. Herridge.

Mr. JAQUES: And Lloyd George.

Mr. POULIOT: Lloyd George has outlived his usefulness.

Mr. JAQUES: Mr. Lloyd George saved the situation twenty-five years ago. He is possibly the most illustrious Liberal alive and his ideas are good enough for me.

Mr. POULIOT: I call the hon. gentleman to order. If he desires to ask me a question, he must rise in his place and ask my permission. I do not intend to be interrupted by the hon. gentleman. I know the history of England just as well as he, and I have read many of the books written by Lloyd George as well as many of the articles which have appeared in the yellow press. He has outlived his usefulness, and that is why Mr. Churchill did not invite him to be a member of his cabinet.

We hear quotations from remarks of Mr. Lloyd George and from statements by many other people whom the hon. gentleman does not know. This is all a complete waste of time. I should like to ask: Is political economy a science? The answer is "no", for a very good reason. A science must be based upon facts and definite rules. A science is objective, not subjective. A science cannot be formed from the queer views expressed by the hon. gentlemen who form the social credit group. All they have is a conglomeration of views which scream because they have been brought together. These hon. gentlemen are always busy taking notes which are never read by anyone and yet they think they are saving the world. They are trying to find a utopia. We know that currency should be worth something on the markets of the world. During the French revolution the government in power issued assignats, which were similar to the certificates issued by the Aberhart government. Everyone must use his tongue to stick a little stamp no bigger than a diamond on the back of these certificates.

Mr. HANSELL: That is what we shall all be doing pretty soon.

Mr. POULIOT: Then the hon. member will be wasting his saliva. I shall be wasting mine by trying to describe further this utopia.

Mr. HANSELL: I am referring to the time when the Minister of Finance begins to issue his stamps.

Mr. POULIOT: Those stamps will be worth something, but the others just provide a foolish exercise for the tongue. I must congratulate the leader of the social credit group, the hon. member for Wetaskiwin and the other members of that group for not advocating a new leader for the Liberal party, especially when their own leader, Mr. Herridge, suffered a most humiliating defeat at the polls. I understand Mr. Aberhart is giving him the cold shoulder, which is so much the better for Mr. Aberhart. But for a time Mr. Herridge was accepted as the Moses who was to lead the Canadian people into the promised land. Of course Mr. Herridge was to have a candidate of his own in every constituency of this country, but there was none in mine. Very few of his candidates survived, and those who did succeed in being elected can tell him now that he was wrong. That leader of that new group got what he deserved. He has been defeated, and I hope he is out of the public life of this country for good.

Now I look at my hon. friends who are in front of me, and may I tell them that during the last campaign my slogan was: "No Union Government." Their leader then was Doctor Manion, who is a personal friend of mine. He came into my constituency last summer

and made an interesting speech. He said that he used to spend some time at Rivière du Loup, my home town, and along the shores of the St. Lawrence river, and that when he went in bathing he found the water there very cold. But what was colder than the water was the reception that he got from my electors. He said some more insignificant things like that, as did the others who accompanied him, and after a short time the rain started to fall and the meeting was over. Doctor Manion was the leader of a great party, but he was dropped like a hot potato by all the hon. gentlemen who are in front of me. I was very much surprised when the hon. member for Cumberland (Mr. Black) suggested Doctor Manion as a "one dollar" man. Is he not worth more than that?

May I remind hon. gentlemen of the Conservative party who are here for the first time that their party had a great leader, another Moses who was to bring the Canadian people to the promised land, the Right Hon. R. B. Bennett, and I remember the day, sir, during the special session of 1930, in the month of September, when that leader of the Conservative party, who had just been elected by a large majority—not on account of the bad policies of the Liberal party but just because he had told the people that he would make gold out of butter—sat here in his seat as Prime Minister of Canada. I remember his perfect sartorial attire, and his importance—

Mr. HARRIS (Danforth): Mr. Chairman, I rise to a point of order. The point of order is that the hon. member for Témiscouata (Mr. Pouliot) is not speaking within the confines of the resolution before the chair, and that his remarks are entirely out of order. And I would ask how much longer this farce is to go on.

Mr. POULIOT: Mr. Chairman, I do not see any point of order in what my hon. friend has said.

Mr. HARRIS (Danforth): Mr. Chairman—

Mr. POULIOT: Just a minute, please.

The CHAIRMAN: I understand that the hon. gentleman is speaking to the point of order.

Mr. POULIOT: Speaking to the point of order, Mr. Chairman, I can see no point of order because although my hon. friend is gifted with the most powerful voice of any member of the house, I did not hear a word of what he said.

Mr. HARRIS (Danforth): If I may have the privilege, Mr. Chairman, of restating the point of order which I desire to raise in this honourable chamber, it is this, that the hon. member for Témiscouata is not speaking within the confines of the resolution which is presently before the chair. I made one further observation: How much longer is this farce to go on in this serious time?

Mr. POULIOT: Mr. Chairman, I draw the attention of the hon. member to the very important fact—

The CHAIRMAN: The hon. member must now speak to the point of order.

Mr. POULIOT: Yes, sir, I now do. Speaking to the point of order, I draw the attention of the hon. member to the important fact that by what he has said he shows that he has never read the rules of the house. My remarks, I submit, Mr. Chairman, are perfectly relevant, and I hope that this day I shall not suffer the same injustice as that which I was the victim of the other day. I want to tell you, sir, that any member of this house has the right to follow hon. gentlemen opposite on the path which they have chosen for war.

The CHAIRMAN: Does any other hon. gentleman desire to speak to the point of order? If not, I draw the attention of the committee to the fact that the resolution calls for an authorization—

—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.

I consider, in the first place, that the resolution is of the nature of a motion to go into supply, and that has been the construction put upon it, I think, since the beginning of this debate, when the widest possible latitude has been given. I believe, therefore, that the hon. gentleman in speaking as he does is within his rights.

I would further draw the attention of the committee to this, that if it were proposed to restrict the discussion, that step should have been initiated a little earlier in the debate. At this stage I think we must give the utmost latitude to hon. members, as if this were a debate on the address or on the budget.

Mr. POULIOT: Mr. Chairman, I have just a word to add. My hon. friend the member for Danforth (Mr. Harris) was a member of the last parliament; and when Mr. Bennett left Canada, the hon. member was not one of the two members of the Conservative party who said good-bye to him at the station here in Ottawa. He preferred to stay in his room

at the Chateau Frontenac, although the house was not sitting at the time. He was not regretting his leader any more than that.

Mr. MacNICOL: Chateau Frontenac?

Mr. POULIOT: Nor was the hon. member for Davenport (Mr. MacNicol) at the station either. It was only the member for Vancouver South (Mr. Green), and my dear old friend from Parkdale, Mr. Spence, who, I regret, is now dead.

Mr. MacNICOL: All I suggested to the hon. member was that when he said the Chateau Frontenac he probably meant the Chateau Laurier.

Mr. POULIOT: That is all right. But my statement as to the hon. members not being there is correct.

There is another point. The present leader of the Tory party in the Senate has been mentioned as a possibility for the leadership of a Union government.

The CHAIRMAN: I would draw the attention of the hon. member, as of all other hon. members, to the fact that it is not permissible in this house to refer to the upper chamber except as "another place". The Senate cannot be mentioned by name.

Mr. POULIOT: That is all right, sir. The leader of the Tories in the other place was speaking on that subject, and I have only this to add. It is that what is left of his ashes has been exposed in the ash tray of the Rideau club—I mean the Ottawa *Journal*—and is politically dead. I attach no more importance to him. Every member who has spoken has mentioned his platform during the last election. My platform, as I have said, was "No national government". Of course, that government existed only in the fertile imagination of Mr. Manion; it existed only for the time of the campaign; but I said to my electors, "If we have such a union government, we may have Mr. Manion as prime minister, a gentleman who says he is against the amalgamation of the railways, a gentleman who says he is against conscription, but who will be flanked by Mr. Arthur Meighen, who has always been defeated when he has gone to the polls and has submitted his views to the electorate—the man who is responsible for the War-time Elections Act, the man who is responsible for conscription, the man who is responsible for the insidious and awful campaign that was waged against you, Mr. Chairman, in the county of Lotbinière when you ran there in 1917, and against all the liberals who were with Laurier on that occasion, the man who is known for his famous ciphered telegram in which he asked for his share of the soldier vote". They knew all about it, and it was enough to mention the possibility of that choice of Mr. Meighen by Mr. Manion to secure for us Liberals the votes of many Conservatives, well-thinking and sincere Canadians.

And afterwards there were others. There was another genius who was never elected to this house but who belonged to the infamous Anderson government, the KKK government of Canada, the glorious MacPherson—MacPherson, KKK, Saskatchewan. Again, it was sufficient to mention that man's name to inspire fear in the minds of all good Canadians who listened to us, and I congratulate my good friend the hon. member for Regina (Mr. McNiven), upon his great victory over that gentleman, who I hope will never be returned in an election either in federal or in provincial politics. And there was another one still, Sylvanus Apps, who was easily defeated in Brant by my good friend George Wood. Mr. Apps was bold enough to say that in his opinion only one language should be spoken in Canada, the English language; and he was if anything bolder in saying to those who heard him, "Some of you may not like it, but I don't care." Well, he was defeated and it was a good thing for this country. And I warmly congratulate my hon. friend the member for Fort William (Mr. McIvor) on the great victory that he won over the former leader of the Conservative party.

All the leaders of the Conservative party are now have-beens. I have known several of them. When I was first here, Mr. Meighen was here. Gone—dropped like a hot potato. Guthrie was here afterwards, acting. Gone—he too was dropped like a hot potato. Then came R.B. Dropped again like a hot potato; nobody to accompany him to the station. That was why he wept so much; he felt that he was an orphan; he felt that all those to whom he had given patronage were heartless, ungrateful, that they did not remember the days when he did so much for them. Abandoned. That is perhaps why he felt that Canada was no longer his home and why he left for England, although he was born in Hopewell in New Brunswick. Then came poor Doctor Manion. He thought he had a good job as leader of the Conservative party. He went before the people and was defeated. Gone—dropped by his supporters like a hot potato. He asked for two days; "Wait until Wednesday before giving your decision," he said. And the day after, they said to him, "Go away; we don't need you any longer."

The hon. member for Cumberland says "Hire his services for one dollar." The hon.

gentleman had a different view on the Monday before the session started when he had to decide about the matter.

Now we have the hon. lecturers in front of us, those who lecture us and tell us what we have to do. We know what we have to do. We are acting in accordance with the trust given us by our electors, who told us, "When you go to the house you have only one thing to do; you have to continue to support the government which you are now supporting in the election campaign, in order that we may have no amalgamation of railways, in order that there shall be no conscription, in order that none of the crimes that were committed by the Union government shall be committed again." Why did Doctor Manion mention National government? It was because everyone in this country remembered what had been done by the Union government. Everyone remembers it. But at that time, sir, everything was done under the guise of patriotism. It was under the guise of patriotism that Foster used to sell his old war horses, horses thirty years old, for $300; it was under the guise of patriotism that butter was thrown away; it was under the guise of patriotism that a famous shovel was invented by a Miss McAdam, Sam Hughes' secretary, as a piece of armour. All that was done in the name of patriotism. We all remember that. We remember the scandals of those days. At that time there was a union of bad Conservatives and bad Liberals to form the Union government. Now my hon. friends opposite cannot suggest such a plan because there are no bad Liberals on our side.

My hon. friend opposite does not like it, but I will tell him something more. The present leader of the opposition (Mr. Hanson) is a former minister of the Bennett government. He was in that cabinet. The hon. member for Yale (Mr. Stirling), who sits next to his leader, is also a former minister of the Bennett government. The hon. member for Dufferin-Simcoe (Mr. Rowe) is also a former minister—without portfolio, thank heaven. The hon. member for Parkdale (Mr. Bruce) is a former lieutenant-governor who was appointed by the Bennett government. My hon. friend the member for Danforth (Mr. Harris) is one of those who supported the Bennett government with his harmonious and sweet voice all the time that government was in power. My good friend the hon. member for Davenport (Mr. MacNicol) was chairman of the convention which committed the great blunder of selecting Mr. Bennett as leader of the Conservative party. There are a few other members who were here banging their desks when Mr. Bennett was here. Let me say to them in all sincerity and with sympathy that the fact that they either have been ministers of the Bennett government or have supported the Bennett government when that government was in power, disqualifies them completely for gaining the confidence of the people in the years to come until the next generation. Sir, those views are not only mine, but those of my constituents and of the great majority of the Canadian people

We want a government that is responsible for its policy. That is essential. We have it now. And the duty of the opposition is not to make futile, stupid and absurd criticisms, and stupid and absurd suggestions; it is to give constructive criticism. This is how an opposition can help a government, according to the old parliamentary tradition. An opposition can be very useful. Those gentlemen can serve their country very well by studying what is being done by this government and making fair criticism of its policies. This can be done even by private members who support the government.

Let me give three examples of what was done during last year's session by one private member. Take, first, the national defence purchasing board. There was a member of parliament who said at that session that it was absurd for the Minister of Finance to have that board under his control—and I could tell much more of what was done at that time. His contention was that in the first place the Minister of National Defence should be responsible for the expenditures in his department, and that in the second place such a commission was nonsense; that what was necessary, and the right thing to do according to British tradition, was to create a ministry of supply. At the time that member stood alone. The then leader of the opposition, Mr. Manion, agreed with the government on that. Constructive opposition had to come from a private member who was a supporter of the government at the time. And the thing was done in due course, because it was evident that it was the only way to deal with the enormous purchases which had to be made in war time.

Again, there was the mortgage bank, instigated by a man who had so much interest in insurance companies, was director of so many insurance companies, the Sun Life, the North American Life and many others, that I was suspicious when he brought in the mortgage bill. I think our people in the province of Quebec would want to take advantage of that legislation, but it was not to apply there. I congratulate the government on having appointed some officials by virtue of that legislation. But that legislation

for the benefit of certain insurance companies has not been put in force. That is another victory which was won by a private member who was supporting the government, when the opposition was not doing its duty.

A third instance is the penitentiaries commission. Once again it was a private member, a supporter of the government, who strongly protested against the appointment of such a commission. In fact, the appointment of one man that was to be made to that commission would have proven a great embarrassment to the government. But the objection did not come from the opposition, although it contained many lawyers; the opposition came from a private member who was a supporter of the government, who made that constructive criticism not only for the good of the government but also for the good of the country. This, sir, shows what can be done provided one can express himself freely in this house whether it sits as such or in committee of the whole.

Now, sir, the conclusion. It is, that the government should not think that one is hostile to them when he complains about the way in which we are treated by some civil servants here in Ottawa. Of course they are defended by the Tories, but I am suspicious of Tories when they talk politics. And I would class as a Tory some confidential officer who boasts he is first cousin of Arthur Meighen, and is always with the Tories on the streets or in public places. The government should be very careful about it. I say this for the benefit of the government and because I know where the leaks come from when ministers are attacked unjustly from the other side of the house.

The other day we received a pamphlet, a page from the Toronto *Telegram*, which contained an article by a former officer of the Canadian army complaining about the policies of this government and saying that Canada was "sold out." That man should be court-martialed, because no one in the army should be either Liberal or Conservative; there is only one Canadian government, and army officers must stand by the members of the Canadian government and give their help to that government. Of course, sir, when my hon. friend the present Minister of Pensions and National Health (Mr. Mackenzie) as Minister of National Defence brought in for the first time his increase in military estimates, I told him to be very careful about the brass hats of the Department of National Defence. There is some intrigue somewhere in the department. Let me tell the present Minister of National Defence (Mr. Rogers)—I regret he is not in his place—it is because some colonels would like to be promoted to generals, by serving the Tory party, by advocating a national government, against the best interests of this country. Well, sir, I am fed up with that. And when I say that, it is because as a Canadian citizen I am proud of my country and I do not want there to be any intrigue, especially in such a department. The matter is most serious.

We have heard a lot about red tape; now we hear about red tabs. Sir, I was the one who said in the Bren gun debate that I did not understand why the details were given in this house. Of course I contend that we must be free to speak in this house. But when we come to important details about arms and munitions, it seems to me that it would be your duty, and the duty of Mr. Speaker, to clear the galleries in order that no outsider should know what is being said about the technical details of the defences of this country. But yesterday when I listened to the Minister of Transport who was giving some technical information to the other side, hon. gentlemen of the opposition party listened just as well and seemed to understand just as much as the ladies who crowd the galleries when the figures of the budget speech are given by the Minister of Finance. I would ask you, sir, to have the galleries cleared when such important technical details are given.

In the last house there were two people who were familiar with the technology of arms; they were the hon. member for Huron-Perth (Mr. Golding) who was a manufacturer of shells during the last war, and my good friend, Mr. McAvity, then the member for St. John-Albert, who was interested in the purchase of war supplies during the last war. Those men were technicians. The other day an hon. member opposite said that he was a mechanical engineer. So much the better, but who among us is familiar with the details of those armaments? Before the war one could look at the New York *Times*, the Montreal *Gazette* or any other newspaper, and see details about the armaments of England, France and Canada. That is beyond my understanding. When did any hon. gentleman who listens to me to-night see a word about the technical side of the armaments of Japan, Germany, or the other enemy countries? They keep those details hidden and secret.

We have heard a good deal about a fifth column and have been told that there are members of the fifth column among us. Is anyone so prejudiced as to think those people do not read the press and do not take advantage of what appears there? I am too much concerned with the freedom of members

of this house and their right to ask questions of the government to try to deprive them of that right. On the other hand I think it should be taken for granted that anything a member of this house learns should not be given to the public at large. We know we have some difficulties in the Department of National Defence, as we have had for years. I think there should be a census taken of that department, although I pay homage to the three deputy ministers, who are worthy successors to General LaFleche, one of the best deputy ministers to have been appointed by the other government. However, I think we should be very careful about any intrigues that may go on there.

One more point, sir, and I shall conclude. Does anyone think I have any animosity toward any civil servants here in Ottawa? No, sir; but my contention is that each of these men, who are paid by the state, should try to help not only the government but private members as well. When members ask for their help, it is very often refused for the sake of economy. Very often when a member goes to such an official, he sees some of the brain work of that official who tries to find a reason to refuse what is being requested. The answer is, "We regret that it is impossible to give you that information." Another member goes; same story. Another one goes; same story. Others go; same story. Then, sir, this official goes to the minister and says, "Sir, look at what I have been asked for by so many members. I thought it was better not to give it to them. Will you give it to me in the form of an increased salary?" That is the intrigue which is going on.

I shall have other opportunities to say more, but this is enough for the time being. I hope, sir, that there will be an improvement and that the government will tell the officials of each department to be obliging to members who come to them for assistance, in order that members may avoid useless correspondence and may be able to stay in this house to defend the government against any attacks that may come from the other side.

Mr. ADAMSON: I should like to bring to your mind, Mr. Chairman, one or two remarks made this afternoon by the Minister of Agriculture (Mr. Gardiner). The minister attempted to give the entire credit for the construction of Trans-Canada airways and the airports to the previous Liberal administration. I happened to be in Cobalt in 1934 and 1935, before the Liberal administration came into power. The emergency landing field at that point was then under construction, and I understood that General McNaughton, who had been appointed by the Right Hon. R. B. Bennett, was responsible for the construction work then going on. I should like to remind hon. members opposite that the organization of a system such as Trans-Canada airways is a very large undertaking. The construction of emergency landing fields in northern Ontario, where there are muskeg conditions, rock and difficult country to contend with, takes a long time.

The minister said something else to which I should like to refer. I do not come from Toronto, but I thought the minister had some unpleasant things to say about the attitude of people who came from southern Ontario in general and Toronto in particular. He said we were anti-American. I am not going into any great detail, but at a recent service club meeting in Toronto—

Mr. GARDINER: Just by way of correction, Mr. Chairman, I did not at any point in my remarks say the people of Ontario were anti-American.

Mr. ADAMSON: The minister said the people of Toronto.

Mr. GARDINER: No, not even the people of Toronto.

Mr. ADAMSON: The inference was that the minister meant the people of Toronto. I want to point out to the minister that at a recent service club meeting in Toronto I, an imperialist, suggested that we might or should join the pan-American Union, and that suggestion was received favourably by the press and people of Toronto. Unfortunately, to take any step in that direction now might be construed as running for cover; we shall have to beat the Germans first. But, speaking as an imperialist, I see no reason why we as an American nation should not take our place as a member of the pan-American Union.

The matter of the Bren guns also has been brought up in this house, and I should like to read a question I directed to the Minister of National Defence (Mr. Rogers) and the reply of the minister. I asked the minister:

> Is the minister prepared to tell the committee how many Bren guns have been produced, and —unless he would consider this as not in the public interest—whether the Bren guns so far produced have been satisfactory?

I explained to the minister that my sole purpose in bringing this matter before the committee was to secure a favourable reply from the minister, because we in Canada, and particularly in my constituency, are very much worried over the information that we have obtained, that the Bren guns have not been satisfactory or that there has been some hitch in their production. If there has been no hitch, I would appreciate, as I know the

country would appreciate, the minister making a statement. I do not want him to say merely that they are in production, because by just making the stock or the barrel or the plunger mechanism the thing can be in production; but have they been produced? I think that would go a great way towards restoring confidence in the situation.

Mr. RALSTON: Will my hon. friend give me the page of *Hansard* from which he is quoting?

Mr. ADAMSON: The bottom of page 291, where the minister said:

My hon. friend is not in the house at the moment, but it is not considered in the public interest to supply the answers to these questions. I shall be very glad indeed to give him a further explanation of why it appears necessary to give such an answer at this time.

That is the question I would ask. The subject came up this afternoon. I thought I would bring to the attention of the committee again the reason I brought the matter up. I feel quite satisfied that there is production going on, but I think the country wants to know, and I see no reason why it should be thought that it would give any aid or succour to the enemy if the country were to have that information.

Then, with regard to the production of aircraft—

Mr. RALSTON: My hon. friend has looked at page 308 of *Hansard,* has he?

Mr. ADAMSON: Yes, I have it before me. At the bottom of the page the Minister said:

I should like to thank my hon. friend for some of the suggestions he has made.

Mr. RALSTON: Yes.

Mr. ADAMSON: That is the question and—

Mr. RALSTON: My hon. friend wants a favourable answer. Would he be good enough to quote the question and answer of the minister at page 308?

Mr. ADAMSON: Yes.

Mr. RALSTON: I am taking at face value what my hon. friend has said.

Mr. ADAMSON: The minister says they were in production?

Mr. RALSTON: Would the hon. member be good enough to read what the minister did say—or I will read it, if he does not.

Mr. ADAMSON:

I should like to thank my hon. friend for some of the suggestions he has made. May I say something to him regarding . . . the production of Bren guns.

[Mr. Adamson.]

Mr. RALSTON: No—"regarding his statement concerning the production of Bren guns."

Mr. ADAMSON: Yes. It continues:

He has referred to a grave unrest arising from certain rumours which he has heard regarding the Bren gun. May I say to him now, in the light of the statement I made this afternoon, that I know of no cause whatever for grave unrest with respect to the production of Bren guns. On the contrary, we anticipate that delivery will be well in advance of schedule.

Mr. RALSTON: Does that help any?

Mr. ADAMSON: No.

Mr. HOMUTH: The first of April is the date set.

Mr. RALSTON: My hon. friend knows it is not the first of April.

Mr. MACKENZIE (Vancouver Centre): No, absolutely no.

Mr. RALSTON: It is the first thirty-six months.

Mr. HOMUTH: No.

Mr. RALSTON: No, not at all. My hon. friend knows, if he has seen the contract at all, that the first thousand guns are deliverable in the third period of twelve months—that is, in thirty-six months. That is not the first of this April; it is the first of next April.

Mr. HOMUTH: We are supposed to be months ahead of schedule.

Mr. RALSTON: Yes, and we may be; the minister says we will be.

Mr. HOMUTH: But we were assured it would be right at the start.

Mr. RALSTON: Would my hon. friend rise in his place?

Mr. ADAMSON: And the minister went on to say that there have been some modifications—

Mr. RALSTON: It reads, "A certain modification."

Mr. ADAMSON: Yes, it says:

A certain modification has to be made in the same manner in which it is being made in England. This is being proceeded with as quickly as possible.

Have these guns been manufactured, or have they not? That is the question which I think the minister should answer. It is only justifiable that he should answer it.

An hon. MEMBER: I don't think you know what you are talking about.

Mr. ADAMSON: Unfortunately I do.

Mr. DUPUIS: Does Hitler give you the details of his production?

Mr. ADAMSON: This is not Germany, I would have my hon. friend understand.

Mr. DUPUIS: We should not give them to the enemy.

Mr. ADAMSON: We are trying to help, not hinder, by getting this information, because there is some unrest. I know that is true. I get letters about it daily.

Mr. RALSTON: And does my hon. friend think he is settling it by repeating these rumours?

Mr. HOMUTH: Let the government be frank, and say what is being done about the matter.

Mr. RALSTON: My hon. friend has the answer of the Minister of National Defence (Mr. Rogers), and the minister indicates why he does not answer further. If any further answer can be given, I am sure he would be glad to give it. There is nothing in respect of the Bren gun situation but this, that it is much better than could have been expected because, as he indicates, delivery will be made well in advance of schedule. I should think that would be comforting to my hon. friend.

Mr. ADAMSON: It is comforting, but I should like to know when we may expect those deliveries, and whether any guns have been made.

Mr. RALSTON: I suggest to my hon. friend that he ought not to repeat in the house idle rumours. He has done it to-night again, with regard to rumours about the Bren gun. He has that assurance, at least, so that there is no justification in a rumour which would cause unrest. The fact that they are being made well ahead of schedule, I think does away with any rumour of that kind; and I suggest to my hon. friend that if he is desirous of indicating to the committee how slowly we are getting along, he should not repeat idle rumours when they have been expressly denied and contradicted by the minister responsible.

Mr. ADAMSON: I am glad to have the minister's reply in that case.

Mr. RALSTON: I knew my hon. friend would be—and I say that seriously.

An hon. MEMBER: Sit down, then.

Mr. ADAMSON: I hope to have a statement when the guns are produced. Now, one more question of serious concern in Canada to-day is—

Mr. DUPUIS: Why not ask it privately?

Mr. ADAMSON: Because the information is public. I should like to point out to the government two or three facts in connection with the production of aircraft in Canada. At the National Steel Car plant in Toronto they are turning out—

An hon. MEMBER: At Malton.

Mr. ADAMSON:—army cooperation Lysanders, and they have done a good job and will continue to do so. The maximum production is four a month. I think they could improve on that. The Fairchild Aircraft Company of Montreal have a cost-plus contract for Blenheim and Bolingbroke bombers. I would like to point out to the Minister of Munitions and Supply (Mr. Howe), the Minister of National Defence (Mr. Rogers) and the Minister of National Defence for Air (Mr. Power) that the Blenheim has been proved in recent weeks to be an obsolete type of aircraft, and heavy casualties have been suffered in the fighting because of the use of this type of bomber. I would suggest to the Minister of National Defence for Air that these planes be modified in some way so that these obsolete ships do not continue to be produced.

Mr. DUPUIS: Mr. Chairman, on a point of order, as a member representing the constituency in which the Fairchild aircraft is produced, I strongly object to any information being given the enemy respecting any planes manufactured there, because if there is any improvement to be made, ministers of the crown are able to see to it that it is made, without giving the information to the enemy.

Mr. POWER: Will the hon. member state on his responsibility as a member of parliament that the Blenheim aircraft now being produced in Canada is obsolete? I should like to have that question answered.

Some hon. MEMBERS: Yes or no.

Mr. THORSON: On his responsibility as a member.

Mr. POWER: Will he or will he not?

Mr. ADAMSON: The Blenheim aircraft that was supplied—

Mr. POWER: No —"that is now being produced in Canada."

An hon. MEMBER: Answer it.

Mr. MACKENZIE (Vancouver-Centre): And another question: Does he know whether the Blenheims produced in Canada are the same as those produced in England?

Mr. ROWE: One cross-examination is enough at a time.

An hon. MEMBER: Let us have a Donnybrook.

Mr. ADAMSON: It sounds like the reichstag.

Mr. LAPOINTE (Quebec East): That will go to Hitler!

Mr. ADAMSON: We are asking for information.

Mr. POWER: You are not.

Mr. GARDINER: Who wants the information?

An hon. MEMBER: Hitler.

Mr. ADAMSON: If this aeroplane is obsolete, we should be told.

Mr. POWER: My hon. friend is now holding a responsible position as a member of parliament. He is spreading the rumour that one of the aircraft to be used by our men is obsolete. I want him to state whether he will say that as a member of parliament. Otherwise he could have come to me privately, as he knows very well, and asked me to inquire into the matter.

Mr. ADAMSON: I am asking for information.

Mr. POWER: My hon. friend insinuated that these aircraft are obsolete. I want him to say if he believes that or if he does not believe it.

Mr. BROOKS: Why does the hon. gentleman not give the information as Minister of National Defence for Air?

Some hon. MEMBERS: Withdraw.

Mr. ADAMSON: I ask the minister to say on his responsibility that they are not obsolete.

Mr. GARDINER: Mr. Hitler would like to have that.

An hon. MEMBER: Withdraw.

Mr. ROWE: He has nothing to withdraw.

Mr. ADAMSON: I should like to get that information.

[Mr. Power.]

Mr. FRASER (Northumberland, Ont.): Withdraw and talk about something you know something about.

Mr. ADAMSON: I happen to know something about the production of aircraft.

Mr. POWER: Will you tell us whether these planes are obsolete or not?

Mr. ADAMSON: I have not been in the factory to see the planes.

Mr. POWER: I charge my hon. friend with sabotage of Canada's war effort by making that statement. If my colleague, the Minister of Justice, were carrying on the work as it should be carried on, he would intern the fifth column over there.

Mr. ADAMSON: Mr. Minister—

Mr. REID: You are getting action now.

Mr. ADAMSON: I am very glad indeed to get this action on this matter.

Mr. GARDINER: Read some of your past speeches outside the house.

Mr. FRASER (Northumberland, Ont.): You are trying to make political capital out of something about which you know nothing.

Mr. HARRIS (Danforth): I rise to a point of order.

Mr. ADAMSON: I say—

The CHAIRMAN: The hon. member for Danforth (Mr. Harris) has risen to a point of order.

Mr. HARRIS (Danforth): The Minister of National Defence for Air (Mr. Power) has not addressed his remarks to the chair. The Minister of Agriculture (Mr. Gardiner) and the hon. member for Northumberland, Ont. (Mr. Fraser) have acted in a like manner. The leader of this house has sat in his seat and has not defended the rules and privileges of the house. He has permitted these ministers to talk directly across the floor and not to the Chairman.

Mr. POWER: I must say the point of order is well taken, and I withdraw anything that I may have said by way of addressing myself directly to the hon. gentleman opposite. However, I do not withdraw any of the essential things which I said, namely, that the kind of discussion which has been going on here and the spreading of false rumours are derogatory to Canada's war effort and sabotage.

The CHAIRMAN: My ruling on the point of order is that it is not well taken. All these

hon. gentlemen have resumed their seats and the point of order should have been raised while they were on their feet. I shall take this opportunity to direct the attention of the committee to the fact that I have tried to give as much leeway as possible to all hon. members. This debate has not been in accordance with the rules of the house and I ask hon. members kindly to follow the rules. The hon. member for York West (Mr. Adamson) has the floor.

Mr. ADAMSON: I can assure the Minister of National Defence for Air that it is not my intention to do anything but endeavour to help. This information has come to me to-day.

Mr. POWER: Go on and do it.

Mr. ADAMSON: This company is also producing the Hampden bomber, which is a modern and up-to-date craft.

Mr. FRASER (Northumberland, Ont.): Will the hon. gentleman permit a question? What is the name of the company producing the Hampden bomber ?

Mr. HOMUTH: The hon. gentleman is not in order.

The CHAIRMAN: The hon. member asked leave to put a question and it was not refused.

Mr. ADAMSON: The Fairchild Aircraft Limited.

Mr. DUPUIS: They are producing good bombers.

Mr. ADAMSON: They are producing some good ones, but the Blenheim—

Mr. DUPUIS: Keep that to yourself.

Mr. FRASER (Northumberland, Ont.): Will the hon. member permit another question?

Mr. ADAMSON: Yes.

Mr. FRASER (Northumberland, Ont.): Did I understand him to say that the Fairchild Aircraft company of Longueuil was producing obsolete planes for the Canadian government?

Mr. ADAMSON: That is the information I was given to-day and I want to find out whether it is true.

Mr. FRASER (Northumberland, Ont.): Your information is absolutely and teetotally wrong.

An hon. MEMBER: Teetotally?

Mr. ADAMSON: I am delighted to have the assurance of my hon. friend. I am glad to have his totalitarian views on these matters.

Mr. DUPUIS: Please proceed in a spirit of cooperation.

Mr. ADAMSON: That is just what I am trying to do. The information I have received is quite considerable, and I shall follow the suggestion of the Minister of National Defence for Air and give it to him in private. This afternoon we have witnessed members of the government rising in their places one after another and criticizing things which have gone before, things which happened five or even ten years ago. I should like to draw their attention to the speech made by the Prime Minister of this country at the opening of this nineteenth session of parliament. The Prime Minister said that he hoped that this house would carry forward and forget the old sores of the past. I commend his words to hon. gentlemen opposite.

Mr. DUPUIS: And to the other side also.

Mr. ADAMSON: I commend those words to the hon. gentlemen who have been making political speeches all afternoon. I ask them to realize during the rest of this debate that we have a war effort to accomplish. Let us get on with it.

Mr. McNEVIN: Mr. Chairman, my sole purpose in taking part in this debate is to offer a few suggestions which I trust may be of value in prosecuting the task that lies ahead. The first item to which I desire to refer is the request which has been made for permission to organize volunteer units throughout Canada. I believe there is a large number of citizens who, by reason of age or from other causes, do not come within the category of those who can take part in the struggle now going on overseas. If they were granted permission to organize volunteer units, careful supervision would have to be exercised, but in the light of recent events it is not beyond the bounds of possibility or reason that suicide pilots might land in Canada and destroy valuable utilities and other important plants. It is also true that large numbers of our soldiers may have to be sent overseas as rapidly as possible, and from correspondence which I have received I have no doubt at all that large numbers of men are prepared to organize and to train without remuneration to deal with the menace to which I have referred. In adopting such a course we would only be following what has already been done in Great Britain, and I would therefore ask the Department of National Defence to give the matter thorough consideration.

Furthermore, as the mother country has assumed responsibility for Greenland, it would appear to me that if this dominion can give any assistance in guarding that country, we should be prepared to survey all such possibilities. We have in our northern areas large

numbers of citizens who are accustomed to an extremely rigorous climate and would be well fitted to serve in Greenland.

I now come to the training of recruits for service in the tank units. Recent events have proved beyond the shadow of a doubt that the tank is the most formidable implement of warfare on the land. In our lumbering industry in Canada we have large numbers of young men who have had wide experience in the piloting of immense caterpillar tractors. These men are accustomed to driving these machines, weaving through the trees and round the stumps, hauling huge loads of logs, sometimes numbering hundreds on one load, and I believe we should encourage young men who have had that experience to enlist in the tank training units of the Canadian active service force.

There is another matter which I should like to bring up. Because one of the government-owned munition factories is located in the riding I represent, I revert to some remarks which I made in this chamber approximately twelve months ago, when I urged upon the committee of supply, then dealing with National Defence estimates, that this government-owned factory be completely reconditioned and put in readiness for the production of munitions. I am pleased to note that substantial progress has been made in that direction. Two divisions have been in operation for many months, and the shell factory will shortly be in full operation for the production of heavy shells. But I am not yet completely satisfied. I noted that the Minister of Transport (Mr. Howe), in discussing the other night contracts let by the Department of Munitions and Supply, which is under his jurisdiction, intimated that in several lines buildings still had to be constructed for the production of various articles. The point I want to emphasize is that we have a number of buildings in the Lindsay munitions plant which have not yet been put into production.

Mr. FRASER (Peterborough West): May I ask the hon. member if any shells are actually being manufactured there at the present time?

An hon. MEMBER: Ask the minister.

Mr. FRASER (Peterborough West): The minister is not in the house.

Mr. McNEVIN: I believe that question was answered the other night and that the hon. member was in the chamber at the time.

Mr. FRASER (Peterborough West): The hon. member said ·303 cups in his remarks yesterday, but I understand that all that the Lindsay plant is turning out is rolled sheets of brass. Is that right?

Mr. McNEVIN: That is not right. Now we have a division of that plant which might well be used for the filling of shells when shell production gets under way, and I want to impress upon the department that I shall not be content nor will the people of my riding nor the people of the province from which I come be content until the shells are completely filled in that plant. That would do away with the necessity of shipping the shells for filling to other parts of the province or the dominions.

To my mind, Mr. Chairman, there are two elements which enter into the successful prosecution of war—the elements of speed and surprise—and in that connection I point out that the enemy have a much greater opportunity to use these two elements than those who are on the defensive. In order fully to promote our war effort, I would urge that we generate, to the fullest possible extent in keeping with efficiency in the organization and training of our units, and in the production of the necessary commodities, that element of speed which counts for so much on the field of battle. It is true that this is a trying, troublesome and difficult hour, and it may well be that before this maniac who is guiding the German hordes has been paid his just dues, every Canadian dollar, every ounce of our strength and every drop of our blood may have to be organized in a titanic effort to preserve the rights, the freedom, the very civilization and liberty that the British empire has stood for, not only for a few brief years but for centuries.

In conclusion I would suggest this—that we forget bitterness and recrimination and get on with the job.

Mr. RALSTON: I should like to give some more information than was available yesterday with regard to the time during which bills of this sort have been passed. I have looked back as far as 1909, and bills have been passed since then in varying amounts. It was $500,000,000 in 1928, then $750,000,000 in 1931, 1932, 1933, 1935, 1936 and 1939. So that this is the amount that has been generally passed in the last few years. My hon. friend the member for Rosetown-Biggar (Mr. Coldwell) indicated that the interest on the first war loan of this year, 3¼ per cent, was only one-quarter per cent lower than in the case of the first public loan in the last war. That is not correct. The first loan in the last war was a 5 per cent issue at ten years, which sold at $97.50, yielding 5·34 which was tax exempt. So that you

have, not one-quarter per cent but the difference between 3¼ and 5·34, plus the additional margin which would result from the fact that these bonds in 1915 were tax free.

Mr. HARRIS (Danforth): Can the minister give a break-down of the figure so as to let us have a clearer conception of how much of this money will be used for general purposes, how much for public works, how much for unmatured securities and so on? I sent a note in advance to the minister, and I hope that before the resolution gets out of the committee stage we shall have a little more information showing the break-down.

Mr. RALSTON: I inquired whether there was any more information available, but I cannot give more than appears. There is a possibility of the refunding of roughly $326,000,000 up to March 31, 1941; that is, if that callable issue is actually called in October. The balance may be used for refunding other issues that may be made in the meantime, or it may be used for deficits. I may repeat what I said last night with regard to public works. It may not be used for public works unless public works are voted, except that with regard to public works which might come under defence works and which are not the subject of specific estimates, it might be used for that purpose.

Mr. MacNICOL: Will any of the money that will be raised under this resolution be used for the payment of any of the bills listed here as coming due in 1941?

Mr. RALSTON: My hon. friend sees that there is one one per cent issue, $45,000,000, due March 15, 1941. It might be used for that.

Mr. MacNICOL: What is the purpose of mentioning 1941 at all?

Mr. RALSTON: Up to March 31, 1941, the end of the fiscal year.

Mr. MacNICOL: There are some up to October.

Mr. RALSTON: Yes, I started to give the committee the outstanding issues for the year to December 31, 1941. My hon. friend is quite right: we would not use it except for such issues as are either callable before the end of the fiscal year or mature before the end of the year.

Mr. MacNICOL: Then the only one that would be considered would be that of March 15, 1941?

Mr. RALSTON: March 15, 1941.

Mr. HARRIS (Danforth): Will further supplementary estimates be down before this bill gets to second reading?

Mr. RALSTON: No.

Mr. HARRIS (Danforth): I should like to ask the same question of the Minister of Agriculture, who is now in his seat. Will any of this money be used for building more dug-outs in Saskatchewan?

Mr. GARDINER: There is nothing specific in the vote for it. I do not think any will be.

Mr. HANSELL: I am not going to weary the committee by making any long speech. To-night we listened to the hon. member for Témiscouata criticizing this group in this corner as well as men outside the house who could not defend themselves. We heard him criticize and ridicule the premier of Alberta, who is a minister of the crown, duly elected by the electorate of that province. As I listened to the hon. member, especially as he was trying to illustrate Canadian currency, and watched him tear up the order paper, I could not help feeling that it would have been better had he torn up his speech. I am sorry I was not able to speak as soon as the hon. member had finished. I know that when people read *Hansard* they do not get the same reaction as we who sit and listen in the house. But another member got the floor and I was not able to follow the hon. member for Témiscouata. He is now out of his seat, I thought I saw him standing behind the curtains for a time and I hoped he would return. Whether he was hiding himself I do not know, but if I had been the hon. member I certainly would have hidden my head in shame. I deeply deplore that type of speech at this particular time. To see such a comedy enacted, while the flower of the British empire are shedding their blood upon the battlefields of Europe, is a tragedy imposed upon this committee. Hon. members to-night have mentioned Herr Hitler. I suggest to the hon. member for Témiscouata that such a speech as he made here to-night makes Herr Hitler laugh—and angels weep. I am afraid that much of to-day's proceedings in this house will form a very cloudy spot in the annals of Canadian parliamentary debate in years to come.

I was intending to ask the hon. member a question, but it is no use now because he is out of the house.

An hon. MEMBER: He will read it in *Hansard*.

Mr. HANSELL: But I do not suppose he will be able to answer my question. He said that the opinions he expressed were the

opinions of his constituents, and his next statement was that they are the opinions of the majority of the Canadian people. What I should like to ask to-night is whether the opinions he expressed are the opinions of the government. If he reads *Hansard*, perhaps he could answer that privately. Or if one of the members of the government wishes to answer it he can; it would be interesting to this group.

I noticed that while some Liberals sitting behind the hon. member were laughing at his comedy, the Minister of Finance was not laughing. The hon. member is now in his place. He can read my speech so far as it has gone, but I will ask him the question. I noticed that the Minister of Justice was not laughing. The Prime Minister was not in his seat. He has been excused; if he were in his seat he would not have been laughing. The possibility is that he was wrestling with some of the greatest problems that any prime minister of this country has ever had to wrestle with. Yet some supporters of the government can rise in their places and waste the time of this committee—

Mr. DUPUIS: What is the hon. gentleman doing now?

Mr. HANSELL: My question to the hon. member for Témiscouata, now that he has returned to his place in the house, is this: He said that the opinions he was expressing were the opinions of his constituency and of the majority of the Canadian people. I ask him if those opinions are the opinions of his government?

An hon. MEMBER: How can he answer that?

Mr. POULIOT: I will let my diminutive friend finish, and I will answer afterwards.

Mr. HANSELL: That is quite all right with me. I am beginning to wonder, if when my hon. friend speaks, he really has his feet on the ground.

Mr. POULIOT: I said "diminutive" because the attack was small.

The CHAIRMAN: Order. Will the hon. gentleman please continue?

Mr. HANSELL: I have nothing else to say with regard to the speech of the hon. gentleman, except to add this. While he has ridiculed the group in this corner of the house on more than one occasion, we have told the Prime Minister that we are here to help. Any suggestions that we have made with respect to monetary matters have been made with only one thought in mind; that is to try to help, to throw some light upon the subject. We are not here to tear down. We are here to build up. We realize that this government has had imposed upon it a responsibility such as perhaps no other government in the history of Canada has had to shoulder. We are here to help, and we resent such ridicule toward this group as my hon. friend has offered to-night. That is all I wish to say.

Mr. POULIOT: I have something more to say. In the first place, truth hurts. In the second place, I will read a few lines from a book everyone knows, the *Parliamentary Guide*. This is the biography of the hon. member for Macleod:

> Educated at Bible Institute of Los Angeles and Southern Divinity School, Dallas, Texas.

Mr. BLACKMORE: Can you match that?

Mr. POULIOT: No, sir; and I am proud that I do not mix politics with religion. Then it says:

> Minister of the Church of Christ.

There is one thing the hon. gentleman evidently does not know; that is the commandment of God, "Love thy neighbour."

An hon. MEMBER: Why don't you practise it?

Mr. POULIOT: I have done so, but I hate the fallacies of utopia. I do not laugh at the hon. gentleman; I pity him, and I regret—

Mr. HANSELL: I am not looking for your pity.

Mr. POULIOT: Silence, please. I regret that the hon. gentleman, who has studied theology and the bible—I hope he has not studied only the old testament—

The CHAIRMAN: Order. I should like to draw the attention of the committee to certain fundamental rules of debate which have been violated time and again during the present debate. I read from May at page 297:

> The use of temperate and decorous language is never more desirable than when a member is canvassing the opinions and conduct of his opponents in debate. The imputation of bad motives, or motives different from those acknowledged; misrepresenting the language of another, or accusing him, in his turn, of misrepresentation; charging him with falsehood or deceit; or contemptuous or insulting language of any kind;—all these are unparliamentary, and call for prompt interference.

I do not like to charge one member more than another, but I would draw the attention of the committee to the fact that this rule has not been lived up to constantly during the present debate. I believe this matter is too important to have the debate carried on in any way other than by strict adherence to this rule.

Mr. POULIOT: Mr. Chairman, I regret very much that such remarks are made only to the hon. member for Témiscouata and are not made to those who say he hides behind the curtain.

The CHAIRMAN: Order. I have not addressed my remarks to the hon. member for Témiscouata. I have addressed my remarks to all hon. members of the committee of the whole. I have drawn attention to the fact that during the course of the debate many hon. members do not seem to have adhered to the rule I have just mentioned. Therefore I do not believe that the hon. member for Témiscouata should take my remarks as applying to him more than to any other hon. member. As a matter of fact, I should have made this remark earlier in the debate, but now I think the time has come when the attention of hon. members should be directed to this rule.

Mr. POULIOT: I understand, sir, and I bow to your decision. I know what you said did not apply only to me, but it was said when I was speaking; and it is not the first time. On the other hand I came down to the committee to-night because I was notified by at least three of my colleagues, if not more, that the hon. member for Macleod was saying that I was hiding behind the curtain when actually I was reading my correspondence upstairs in my room. I had a friend with me, my colleague, the hon. member for Levis (Mr. Bourget), with whom I was discussing the letters I had received during the day.

The CHAIRMAN: And for that reason what I have said applies to that remark as much as it does to some of the language of the hon. gentleman.

Mr. POULIOT: Mr. Chairman, I did not use any profane language. I was speaking of theology and, with all due respect, of the old and new testaments. But, sir, I found it was insinuated that after I had spoken I was hiding myself. I have never had reason to do that; this is the first time any member of the house has made such a charge. I thought it was insulting, and that was why I came here, just to tell my hon. friend that he was all wrong in this as in all that he has said since he has been a member of parliament.

Now I come to the point. We are here to discuss a most important matter, a loan of $750,000,000. The Minister of Finance does not go into churches to say that the doctrine of the Liberal party is a religious doctrine, but the protagonists of social credit dare use churches for propaganda. I blame them severely for that. I think it is a shame and a profanation. When I listen to the bible class of Mr. Aberhart, who speaks in a church where truth is supposed to be spoken, and hear him from the pulpit telling people his political policies, I am ashamed for those who do such things. I consider it hypocrisy, and I can say that of Aberhart as I can say it of Herridge, who dared to say the same thing in his first speech at Ottawa, because they are all hypocrites. I do not say that of the hon. gentlemen in the far corner opposite, because they are members of this house; but I say that of their leaders, and if my hon. friends had a sense of propriety and of decency they would feel as I do. There is nothing I despise more; there is nothing more contemptuous, than a hypocrite. There is nothing I despise more; there is nothing more contemptuous, than a man who uses the church and the cloak of religion to deceive the people. One man, who was either the secretary or the president of the Social Credit party in the province of Quebec—

Mr. CRERAR: I dislike to say it, but I think the hon. member is taking unto himself very great latitude under the rules of the house in discussing these matters. After all, the question before us is the wisdom or propriety of giving the the government authority to raise a very considerable sum of money. I am sure the hon. member for Témiscouata, for whom I have a high personal regard, will realize that the remarks he is making at the present time are not appropriate to the resolution now before the committee.

Mr. POULIOT: That is all right; I am through with it. And I would add this, that we shall be very careful in respect of the theories respecting finance.

One thing I regretted to see was the moving of the gold reserve and the financial backing of the country from the east block to the Bank of Canada, and then the transfer to the foreign exchange control board. The fortune of this country is not in the east block which houses the office of the Prime Minister, that of the Minister of Finance and the council room. I know the former auditor general complained of the condition of the vaults in which the fortune of the country was kept in the east block. I point this out particularly to the Minister of Mines and Resources, for whom I have a high regard. But vaults could be repaired. Often I pass near the east block and I see government trucks carrying loads of gold to the Bank of Canada, where new vaults have been built. There might have been reason for making that transfer, but otherwise I cannot understand why that reserve has been placed under the foreign exchange control board. I know that if I ask questions about that board, I shall probably receive no answer.

When last year I asked some questions respecting the mint, I was told by the previous Minister of Finance that no more reports respecting gold, coinage and the mint were published. For a time it was not a Canadian but rather an English institution. After that, control was transferred to Canada, and supervision was exercised by the Minister of Finance. However, I am wondering now if control is exercised by the Bank of Canada, the foreign exchange control board or the Minister of Finance himself. Those are serious matters.

Of course every man has his legitimate pride, and I have no doubt my very good friend the Minister of Finance knows that the hon. member for Témiscouata has studied these problems just as carefully as has the minister, and if at times that hon. member expresses personal views he does not do so with any desire to handicap the government. Rather it is done in order that the hon. member for Témiscouata may remain as proud of the government as he has been in the past.

I should like to have from the Minister of Finance all orders in council which have been passed regarding foreign exchange loans since July last. We have the official gazette; we know that the information I seek appears in the *Canada Gazette*. I am quite ready to admit that fact. I began making a scrap book of those orders in council, so that I might understand the financial condition of the country, but I found it impossible to follow them. I am asking the minister if it is not possible to supply every hon. member with those orders in council which were passed during the recess concerning the foreign exchange control board. We must have them. At times we come in contact with regulations we cannot understand, because it is impossible for a layman who has not the up-to-date legislation by order in council respecting the foreign exchange control board to understand what is being done. This is a most important point.

Why, sir, is it impossible for me at times to go into technical details about these matters? It is because I have not been supplied with that recess statute. It is just as necessary for us to have it as to have statutes passed by parliament. And I have very good reason for saying that, because by virtue of the War Measures Act those orders in council have the same authority as any piece of legislation passed by parliament. Therefore, sir, I should like to have some help in this regard, and I hope I shall receive it in due course.

[Mr. Pouliot.]

I warn the government again about the danger of experiences in the matter of finance. I have made a few observations before about the Social Credit party, but there is the modern university teaching which is dangerous in that regard. I warn the minister, as I warned his predecessor, against accepting dangerous views which come from people who try interesting experiments at the expense of the nation. I warn my hon. friend in all earnestness, and as a strong supporter of the government. If I express personal views, he will understand that I do not do so in order to create trouble or embarrassment, but rather in order that each hon. member may follow the policies of the government and at times make suggestions which might be useful.

Mr. RALSTON: I shall make inquiries at once with regard to the orders in council to which the hon. member has referred. I had an idea they were laid on the table of the house, but I shall look into the matter.

Mr. POULIOT: It is impossible to follow them, because they are all mixed up.

Mr. RALSTON: I will ascertain what is published, and see if I can satisfy my hon. friend.

Mr. BLACKMORE: I did not mean to participate in this debate, because our group, as I think has been noticed, is endeavouring not to speak, except when we feel we can help matters along. We are not indulging in any carping criticism whatsoever respecting the government. We have come here with a frank, open, honest desire to help in this day of great peril. That is one reason why the hon. member for Macleod (Mr. Hansell) became somewhat offended.

I believe it would be good for the hon. member for Témiscouata (Mr. Pouliot) to learn two or three little things. I make these suggestions to him in the most straightforward way, and I suggest that he read them in *Hansard* to-morrow and give them careful contemplation. If I remember correctly, he said that social credit produced a different kind of money. May I tell the hon. member for Témiscouata that he is just one hundred per cent wrong in that. No wonder he has whipped himself up to such a fury when all his information is false! Social credit uses exactly the money used by the Dominion of Canada—just exactly. The only reason why Alberta tried to use a different kind was that she did not have power to issue currency. She was trying to escape the currency laws.

The first thing to bear in mind is that there are two kinds of money being used in Canada to-day. One is currency and the other is

credit. Credit is nothing more or less than figures in a book, as was made abundantly clear in the banking and commerce committee which sat last year. As the hon. member for Témiscouata (Mr. Pouliot) now realizes much to his chagrin, currency in Canada has nothing at all behind it in the way of gold. Since all gold has been transferred to the exchange fund, there is no gold whatsoever behind the Canadian dollar. The hon. member for Témiscouata is now at his wit's end to know what it is that gives value to the Canadian dollar, because all that he thought would give it value is now gone. All this indicates that the poor man has been entirely at sea in connection with all these matters pertaining to finance and currency. Is it any wonder that he cannot get sense out of what we social crediters tell him? We are going in a straight line, but he has never gone in a straight line since he started.

I am going to mention another matter to my hon. friend which I feel quite sure he will find instructive.

Mr. MacNICOL: The good book says, "What is crooked cannot be made straight."

Mr. BLACKMORE: We still have hope for the hon. member for Témiscouata. The hon. member referred to assignats. It will probably come as a surprise to him when he learns the following facts regarding assignats. They were issued by a revolutionary government which had no power to tax. That is an exceedingly important matter. Money issued by any government so unstable that it cannot tax has the cards stacked against it right from the beginning. That is the first important fact to remember in connection with assignats. The second is that the government had no source of funds, and yet it was charged with the responsibility of governing France and beating back the countless foes who were endeavouring to overrun the country. And those foes would have succeeded but for the device of the assignat which the French government adopted in extremity. The fact that the French government came through that crisis is evidence beyond any question that the assignat succeeded.

The next important thing to remember about the assignat is that it was a treasury bill. I assume the hon. member for Témiscouata knows enough about treasury bills to know that they are not legal tender. A treasury bill is not legal tender and neither was the assignat. That was another point against it. The next important point to remember is that the word "assignat" means assignment, as should be evident to anyone who understands the French language. The assignat was a claim to a piece of land. I ask hon. members: If you had a $20 bill in Canada which represented only a claim to a piece of land, say in Témiscouata, would you expect a merchant in Ottawa to accept that claim to a piece of land in Témiscouata when he was not in position to go and claim the land? Would he be likely to accept such an assignat at its face value? Certainly not. The assignat was simply a claim to a piece of land in no particular location. The result was that to merchants and business men it was almost a liability.

The next important thing to remember is that assignats were not issued in denominations under twenty francs. You would suffer considerable embarrassment if you set out to do business in Ottawa with, say a thousand $10 bills and there were no $5 or $1 bills or 50 cent pieces with which to make change. Your good Canadian money would soon tend to fall in value under such conditions. There was no way to change the assignats with assignats, and the people of those days were afraid to change them with other money.

Mr. POULIOT: How is it that at one time you could buy three million assignats for ten francs?

Mr. BLACKMORE: Apparently the hon. member has not that keenness of perception which would enable him to see the significance of what I am saying. Does he know so little about currency that all this has no weight with him? If it does not, then I must say he is just a little above the kindergarten stage.

An hon. MEMBER: Just wasting time.

Mr. BLACKMORE: You do not mind my making this observation: It is most interesting that hon. members can rise in their places and devote thirty minutes or so to makings demands that the Prime Minister should resign without any intimation that they are wasting time, but the very minute that social crediters begin to discuss matters of such vital moment as monetary science, we are accused of wasting time.

Mr. MARTIN: Wasting time on the hon. member for Témiscouata.

Mr. BLACKMORE: That is good; I did not catch the drift. I have boundless faith in men, and I have still faith in the hon. member for Témiscouata.

The next important thing to remember regarding assignats is that the first three issues, which went into the hundreds of millions, the total being more than a billion, were successful to the highest degree. Every bit of evidence that can be found bears out that statement. If any hon. member wishes to

discuss this matter with me in private, I will take him to the library and show him the textbooks which bear out this statement.

The next thing to remember is that the government of that time had no mechanism to control prices. Hon. members will recall that a few days after war was declared the price of lard and sugar in Canada shot up considerably. If a definite method of price control had not been brought into being and applied rigidly, where would our price structure be to-day? If the French government of that day had had the power to control prices, as we have to-day, it would have made a tremendous difference in the success of the assignat.

Then the assignat was used in France at a time of scarcity. The Minister of Finance and other hon. members know—I do hope the hon. member for Témiscouata knows also—that it is the goods and services that can be bought with money that give value to money. You could have the best money ever made by man on a desert island and it would have no value at all. It is the abundance of things which can be bought that gives value to money. That is what gives value to our money in Canada to-day now that our gold has been removed. In France at that time they were just emerging from a terrible civil war. Years of struggle had been engaged in by the French people during which industry had been disrupted and agriculture had been more or less compromised, shall I say? The result was a scarcity of goods and services to be bought with the assignat. We are living in an age when there is an abundance of every kind of commodity. Not only do we have that abundance, we have also the productive power by which we can greatly increase the goods and services which can be bought. There is no comparison between Canada as it is to-day and France at the time of the issue of assignats.

One more thing and I am going to conclude. The British government was blockading France while the assignat was being issued. Let the ports of our country be blockaded right now and what will happen to the value of our fine Canadian money? It certainly would not be worth as much after a few months of blockading as it is to-day.

I apologize for taking up the time of the committee, but I did want to show the hon. member for Témiscouata that he was completely wrong in his concept of what social credit would use for money. Having shown him too that he was so absolutely wrong with regard to the assignat, I believe I have shown that his judgment might not really be of much value.

[Mr. Blackmore.]

Resolution reported, read the second time and concurred in. Mr. Ralston thereupon moved for leave to introduce Bill No. 22, 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.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. C. D. HOWE (Minister of Transport) moved the second reading of Bill No. 8, respecting the appointment of auditors for Canadian National Railways.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

JOINT USE OF CERTAIN TRACKS AND TERMINALS FOR PURPOSES OF NEW ENTRANCE INTO VANCOUVER

Hon. C. D. HOWE (Minister of Transport) moved the second reading of Bill No. 10, to ratify and confirm a certain agreement respecting the joint use by Canadian National Railways of certain tracks and premises of the Vancouver, Victoria and Eastern Railway and Navigation Company, at Vancouver, in the province of British Columbia.

Mr. HANSON (York-Sunbury): Perhaps the minister will be good enough to make a statement on the bill for the purposes of the record. I know nothing about the bill myself.

Mr. HOWE: Mr. Speaker, this bill ratifies an agreement that has been made between the Canadian National Railways and the Vancouver, Victoria and Eastern Railway and Navigation Company, for the use of about fourteen miles of track between the city of New Westminster and the city of Vancouver. The bill provides for the use of this trackage as an entry for the Canadian National Railways into their terminal station at Vancouver. The matter is in evolution. Formerly the Canadian National Railways had its own track running down one of the streets of Vancouver. By agreement with the city a number of years ago, the city undertook to remove the tracks, provide a grade separation, and thereafter to enter into an agreement for the use of this particular trackage as an entrance for the Canadian National Railways. The grade separation has now been completed and the terms of the agreement have been approved by the board of transport commissioners; but as this is a permanent arrangement, representing as it does the only entrance for the Canadian National Railways into Vancouver when their own track is lifted, it is desired to make this

a perpetual agreement, which requires the approval of parliament. If it were an agreement for twenty years only, the approval of the board of transport commissioners would be sufficient, but for a perpetual agreement the approval of parliament is necessary. This bill is simply to ratify the agreement which has already received the approval of the board of transport commissioners and all interested parties.

Mr. STIRLING: Does the Great Northern come into this picture?

Mr. HOWE: They are not parties to this agreement. I am not sure whether they use this trackage or not, but their station is adjoining.

Mr. STIRLING: Does the minister mean that the three companies will use this trackage, that the Great Northern will have running rights over this fourteen miles?

Mr. HOWE: Not under this agreement, not exclusive running rights. This simply provides for running rights for the Canadian National Railways in perpetuity over this trackage. It does not affect any of the rights of the Great Northern.

Mr. HANSON (York-Sunbury): Nor confer any upon them?

Mr. HOWE: No.

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

On section 1—Agreement ratified and confirmed.

Mr. HANSON (York-Sunbury): One of the Vancouver members who is not present tonight might be interested in this bill. As it is nearly eleven o'clock, perhaps the committee might rise now.

Mr. HOWE: Certainly.

Progress reported.

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

Friday, May 31, 1940.

The house met at three o'clock.

SPEECH FROM THE THRONE

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. SPEAKER: I have the honour to inform the house that I have received the following communication:

I have received with great pleasure the address you have voted in reply to my speech at the opening of parliament, and thank you for it sincerely.

L. P. Duff,
Administrator.

Government House,
Ottawa.

WHEAT BOARD

ANNUAL REPORT—QUESTION AS TO TABLING OF WEEKLY AUDIT REPORTS

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I should like to direct a question to the Minister of Trade and Commerce (Mr. MacKinnon). Would he have the report of the Canadian Wheat Board for the crop year 1938-39 tabled at the next sitting of the house, or as soon thereafter as possible?

I should like to ask another question. Under the Canadian Wheat Board Act, 1935, provision is made for a weekly report from the board to the minister. Would the minister consider having these weekly reports tabled, covering the period since August 1, 1939?

Hon. JAMES A. MacKINNON (Minister of Trade and Commerce): The hon. member for Qu'Appelle (Mr. Perley) was good enough to intimate to me that he intended asking these questions this afternoon, and I took occasion to discuss the points raised with the advisers of the department and officials of the wheat board who are in the city at the present time.

The report of the wheat board to which the hon. member refers was tabled in this house on the 17th day of this month, immediately after the opening of parliament.

Regarding the weekly audit reports, this is a matter which has been up for discussion before with this department. I think all I can say is that this report exhibits the exact position of the board from week to week, and it is not considered in the best interests of the country that the figures contained therein should be made available to the public. I am sure the hon. member will fully appreciate that. The figures would be of special value to the people to whom we look to sell wheat, and the publication of them would put us in an unfair position. The regularly published statistics containing the figures of Canada's whole wheat position are available through the bureau of statistics, and the report of the board of grain commissioners, and with respect to a monthly report I think these same remarks would apply.

MUNITIONS AND SUPPLY

VOLUNTARY CONTRIBUTIONS BY INDIVIDUALS, CORPORATIONS AND MUNICIPALITIES

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask a question of the Minister of Munitions and Supply (Mr. Howe). Has the attention of the government and of the minister been drawn to the voluntary offering to the government of various kinds of mechanized equipment by municipalities, corporations and

private individuals, as a contribution to Canada's war effort? Will the government lay down a policy and rules and regulations on this matter and let the Canadian people know that such contributions will be welcomed as they were in the last war?

Hon. J. L. RALSTON (Minister of Finance): My colleague the Minister of Munitions and Supply intimated to me that the hon. member was going to ask this question, and it was thought that I might reply because of the fact that the offers to which the hon. member refers generally come in the form of offers of money to be used for a particular purpose. Members well understand that it is extremely difficult in practice to earmark a particular sum of money for a particular piece of equipment; it would mean the maintaining of a special fund for each particular purpose. Therefore we are indicating to the donors that it would be preferable if they would permit that money to be put into the consolidated revenue fund, and we have pointed out to them that the consolidated revenue fund will be devoted, among other things, to the purchase of equipment of the kind.

I should like to add, however, that if there are offers of special pieces of equipment for particular purposes the government will be very glad to give consideration to them, having regard to what fits best into our requirements. The government welcomes and appreciates, on behalf of the people of Canada, the offers which have been made of funds for particular purposes which afterwards have been permitted to be put into the consolidated revenue fund under the conditions I have mentioned, and the offers of equipment as well.

Mr. CHURCH: I thank the minister. During the great war Sir John Eaton at his own expense equipped a battery, and I should think help of that kind would be very acceptable.

MANUFACTURE AT HAMILTON OF TANKS OR BREN GUN CARRIERS

On the orders of the day:

Mr. W. P. MULOCK (York North): I should like to address a question to the Minister of Munitions and Supply (Mr. Howe). Has his attention been drawn to a report appearing in the Hamilton *Spectator* of Wednesday, May 29, wherein it is alleged that certain charges of the hon. member for Parkdale (Mr. Bruce) are borne out by the statement of an official of the Sawyer-Massey firm of that city, in these words:

His firm, said the *Spectator* informant, was prepared, in the event of being awarded a

contract, to start production on a form of tank known as the Bren gun carrier, without delay.

I should like to ask the minister whether tanks or Bren gun carriers were involved in the matter.

Hon. C. D. HOWE (Minister of Munitions and Supply): It never occurred to me that a Bren gun carrier and a tank were near relations. I suppose if anyone suggests that the Bren gun carrier is a form of tank the opinion is in the eye of the beholder; but they are of very different construction. Several hundred Bren gun carriers are in the process of construction in Canada. It occurs to me that this may explain statements which I thought were preposterous in connection with the manufacture of tanks. Perhaps those speaking had in mind Bren gun or universal carriers, which are capable of being produced entirely in Canada, but the tank is a much more difficult matter. Instead of carrying Bren guns or ammunition it carries men and the machinery of war, and in my mind there is no relation between the two except that they may look alike.

Hon. R. B. HANSON (Leader of the Opposition): What about the whippet tanks?

Mr. HOWE: Well, there is a vast difference between a whippet tank and a Bren gun carrier. They may look somewhat alike but they are very different.

INDUSTRIAL SURVEY

TABULATION OF AVAILABLE MANUFACTURING RESOURCES FOR PRODUCTION OF MILITARY REQUIREMENTS

On the orders of the day:

Hon. NORMAN McL. ROGERS (Minister of National Defence): Yesterday the hon. member for Danforth (Mr. Harris) asked whether the registration of the Canadian manufacturing industry made by the Department of National Defence had been completed and was up to date. In reply I may say that all the information obtained by the Department of National Defence prior to the outbreak of war in the registration of the Canadian manufacturing industry, along with the personnel employed in making the registration, were transferred to the war supply board by order in council dated October 21, 1939. I am informed by the Minister of Munitions and Supply (Mr. Howe) that this information has proved to be most valuable and is being kept up to date.

NATIONAL DEFENCE

RECRUITING FOR SECOND AND THIRD DIVISIONS—ESTABLISHMENT OF PERMANENT RECRUITING STATIONS

On the orders of the day:

Hon. NORMAN McL. ROGERS (Minister of National Defence): I should like to answer a question put by the hon. member for Broadview (Mr. Church) regarding arrangements with respect to recruiting. Instructions have been issued to district officers commanding to recruit up to establishment reinforcements of the second division Canadian active service force. Instructions also have been issued to take all necessary administrative steps to mobilize units of the third division and to commence recruiting as early as possible. Steps are being taken to extend our recruiting organization to include permanent recruiting stations, so that those desirous of enlisting may avoid long trips involving considerable expense, and the department may have available, for use when required, a registration of personnel.

Hon. GROTE STIRLING (Yale): I wonder if I might ask the minister to go a little further on the question of recruiting. Is it his intention to open recruiting stations in parts of the country where units are not being definitely recruited? I will give as an instance the interior of British Columbia, in which province recruiting previously has taken place at the coast. It is a long journey from the interior to the coast.

Mr. ROGERS: It is the intention to establish recruiting centres in the interior of British Columbia at certain selected points in relation to certain units that will be included among those now being mobilized. Obviously I cannot give the house a statement of the various permanent recruiting stations which will be established. Normally they would be located where there were either headquarters or subunits of the non-permanent active militia units. But if a certain part of the country, even under those conditions, finds itself discriminated against, I shall be very glad to consider the advisability of opening recruiting stations there.

Hon. R. B. HANSON (Leader of the Opposition): Will that be true also with respect to the northern and northeastern portions of New Brunswick, where there has been very little opportunity of recruiting?

Mr. ROGERS: I can also give my hon. friend an assurance in that regard.

SUBVERSIVE ACTIVITIES

INQUIRY AS TO TAKING OF STEPS TO PROTECT PUBLIC PROPERTY

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): I should like to ask the Minister of National Defence (Mr. Rogers) for some information, which might be given to me privately as to what is being done with regard to certain matters which I brought to the attention of the house generally and to his personal notice more particularly, having to do with certain protection in the areas I described. Definite questions are being asked me and the press have reported things which I hesitate to believe with regard to the protection being afforded. Could I have, even privately, some information which might serve to allay the fears of those who have spoken to me?

Hon. NORMAN McL. ROGERS (Minister of National Defence): I should like to thank my hon. friend for the suggestion he has made, and I shall be very glad indeed to discuss the matter with him this afternoon at his convenience.

LOAN OF $750,000,000

TO MEET LOANS OR OBLIGATIONS, TO PURCHASE UNMATURED SECURITIES, AND FOR PUBLIC WORKS AND GENERAL PURPOSES

Hon. J. L. RALSTON (Minister of Finance) moved the second reading of Bill No. 22, to authorize the raising, by way of loan, of certain sums of money for the public service.

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

On section 1—Short title.

Mr. HANSON (York-Sunbury): I should like an assurance from the minister that there will be an accounting to parliament of the moneys expended under this act. I realize that this is a bill designed to bring money into the consolidated revenue fund and that with respect to the ordinary services of the country expenditures must be made under votes of this parliament, which are subject to the audit act and to the scrutiny of the auditor general. As to the portion of the moneys which will be devoted to loans, what provision is there in the law now with respect to an accounting to parliament? Is it covered by the audit act? I know that details will appear in the auditor general's report, but it is so late when the report reaches one that it is not of much use.

Mr. RALSTON: I am sorry I cannot tell my hon. friend immediately what does appear in the audit act with respect to this matter. He will understand that in the case of refunding the issues themselves are a charge on the consolidated revenue fund, and that the bonds on maturity really amount to a cheque against that fund. That is the way the payment out of the fund would be effected. The payment is indicated in the accounts when the loan disappears from the liabilities side of the balance sheet.

Mr. QUELCH: I believe the minister mentioned the other day that the government had sold to the chartered banks and to the Bank of Canada $65,000,000 worth of bonds bearing interest at two per cent. Will he now give the percentage sold to each respectively?

Mr. RALSTON: I am sorry I have not the amounts before me, but if my hon. friend wishes I can get that information for him.

Mr. QUELCH: Can the minister explain why a greater percentage of the bonds could not have been sold to the Bank of Canada, rather than to the chartered banks?

Mr. RALSTON: As I remember it, the bonds were held partly by the chartered banks and partly by the Bank of Canada, and the bonds held by the chartered banks were refunded by the issue of new bonds. The difference between $65,000,000 and $80,000,000 was paid off, and the balance was issued to the Bank of Canada.

Section agreed to.

On section 2—Loan authorized.

Mr. HANSON (York-Sunbury): I realize that this section, which is the enabling section of the bill, is based largely on the principle used by corporations. Full power and authority is given the governor in council to regulate the sale, pledge the security, state the rate of interest and set all the terms and conditions, as provided in this section. What is the policy of the government with respect to loans made under the authority of this measure in respect of (a) the lifetime of the security, and (b) the rate or rates of interest? And (c), will the government under section 4 make regulations with respect to callability?—a very important feature which should not be and no doubt is not being forgotten by the financial advisers of the government. If there is one reflection which might be made on financing which has been done in the past it would be that provision was not made for the calling of long-term, high-interest-bearing debentures. I urge upon the government that, in respect of every issue, some provision be made for calling obligations which will mature after the cessation of hostilities. I know that such a provision may interfere with the price received for the security, because as a rule financial institutions, if they are receiving a good rate of interest, purchase non-callable in preference to callable securities. One reason for this preference is that in the case of institutional investments, holdings of callable securities may interfere with the establishment of a satisfactory portfolio. But in the interests of the country we should be certain that this provision is made. If the minister has a policy in respect of these different matters I should like him to state it to the house and country.

Mr. RALSTON: My hon. friend would no doubt expect me to say that at the moment one cannot lay down or formulate a definite line of policy with regard to the terms of issues which may be made in the future. With regard to maturity, one of the major factors—I cannot give them all—is obviously to endeavour to find a maturity which is at such a date that it will not involve too great a burden of refunding in any particular year. That is one factor.

Another factor which must be considered is the length of term of the bonds which are being refunded and where they are held. Rate of interest will of course depend on the length of term for which the money is asked, and on what the market may be for bonds of a comparable maturity which are outstanding at the time of the refunding operation.

Obviously a third factor in connection with rates of interest on issues being made at this time is the readiness of Canadians to help. While we want to be sure that the issue is taken, at the same time we want to be sure that the money shall be secured at the cheapest possible rate. We believe we can depend on the Canadian people to see to it that the issues made by the government at reasonable terms will be taken up.

With regard to the callable feature, we took advantage of a feature of that kind in connection with the 48-52's which were issued in January last. One always has to consider the price and coupon rate so that the call feature will not mean that you are paying a long-term rate of interest for a short-term bond. I agree fully with my hon. friend when he suggests that, in so far as it does not interfere with the salability of the bond or make the money too expensive, it is most desirable that there should be a call feature in a bond. That is perhaps somewhat more applicable in respect of bonds bearing a high rate of interest, such as those to which my hon. friend has referred. But generally speaking I think the government's being able to

call bonds on such terms as they may see fit, after leaving a reasonable time for the bond to run, is a proper precaution to take.

Mr. ROSS (St. Paul's): Is this the only authority for the renewing of the $230,000,000 of treasury bills? Is there any other authority for their renewal?

Mr. RALSTON: I have not looked into that matter thoroughly, but I anticipate that the supply bill, that is the general appropriation act which we will pass, based on the estimates, will contain the usual provision which allows the government to borrow up to $200,000,000. I think that is broad enough to cover the issue of treasury bills. This bill and that provision in the appropriation act would, I think, be the only ones—with the exception, of course, of the $700,000,000 authorization received yesterday or the day before, which would authorize the issue of treasury bills.

Mr. CHURCH: During the last great war, for war purposes, a much larger sum was charged to income and not so much was received by way of borrowing. I hope the minister will not be unmindful of the fact that during the last great war 550,000 men were in the army, many being young business men from the industrial provinces of Ontario and Quebec, from the maritimes and British Columbia. To-day many of these business men are paying income and sales tax on what they must buy for their families; the men who fought in the last war have had to pay a great part of the taxes made necessary by that war. I am sorry to see this clamour and demand for increased income taxes, especially when income is not available. The main recruiting provinces were the industrial provinces and the maritimes and British Columbia. Ontario and Quebec pay about eighty per cent of the cash taxes, according to a return made in 1924 to the then hon. member for Sherbrooke. Many of the men enlisting for this war have given up all their income, and if additional taxes are imposed their families will have to pay them.

There has been a great change in our financial structure. During the last war real estate did not have to bear the federal and provincial burdens it bears to-day. The federal and provincial authorities have taken over the right to levy many taxes which were previously the exclusive right of the municipalities. From confederation to 1917 the income tax was exclusively the right of the municipality, but at that time the federal authorities took it over. Then the provinces came along with a duplicate tax, and in British Columbia there are three. Our municipalities are carrying relief burdens which were never contemplated by the fathers of confederation.

We all realize the minister is carrying a tremendous burden and he deserves and will get the support of all the country. Many of the men enlisting to-day are professional men. I know of a doctor in Toronto, one of the best eye and ear specialists in Canada, whose income was $19,000 a year. He has gone to the war and has had to give up all his income. His wife is doing war work, but still these taxes have to be paid. It is a great mistake to attempt to charge too much to income. Other countries are not doing it. No doubt there will be some demand from the prairie provinces that this should be done, but we should not forget who pays the taxes. I appreciate the difficult problem the minister must solve to raise this money, but we must not forget that those who are going to pay the taxes will be those who have always paid the taxes. The minister has had more experience than I in many spheres of activity and I have no doubt he realizes the heavy burden being borne to-day by real estate.

A proper proportion of these taxes should be levied on bonds and securities. A previous minister said that he could borrow money for two-thirds of one per cent, but there was no war on at that time. There will be very little salvage after the war, and the bonds and securities of the country should pay a proper share of these taxes. Our men are going overseas to fight to protect these bonds and securities owned by the insurance companies and other financial institutions. They are risking their lives for this country, and that is not being done by those who stay home and do not pay taxes.

Mr. RALSTON: My hon. friend will understand that the subject with which he has been dealing will be given the most careful attention and study in connection with the budget. After all, that is when such a matter would be considered.

Mr. HANSON (York-Sunbury): The Bank of Canada, I believe, is the fiscal agent of the government and I suppose the governor and the directors of the bank are the financial advisers of the government. As I understand it, the Bank of Canada as the fiscal agent of the government puts out an issue which is allocated to the banks and the investment bankers—if that term is in order; I believe at one time a ban was placed upon the use of that term. These institutions are paid something for selling the bonds, which is quite proper; but I should like to know the cost, in percentage if it can be given that way, to the treasury of selling the bonds. I should

like to know also what is paid by the treasury to the chartered banks for servicing the loan after it has been placed in the hands of the investors, that is, cashing coupons. Is that service paid for by the first cost, or not?

Mr. RALSTON: I cannot give my hon. friend the over-all cost of loans. He will understand that in a number of cases the loans were simply refunding issues, and there was practically no commission cost. As I understand it, what my hon. friend is referring to particularly are loans similar to the one issued in January. That loan was sold to the public and the commission allowed was three-quarters of one per cent. However the individual who happened to procure the subscription of an insurance company or other institution making a large subscription would not receive this three-quarters of one per cent on that transaction. What was done was this. A large number of what we called national subscribers were put in one group and all amounts arising from commissions on their subscriptions were pooled and distributed among the banks and those who sold bonds to individuals in proportion to those sales. That was one factor in the distribution. The share in the pool was based on the amount sold by that individual house to what I would term private subscribers. That provided an inducement to sell as many as possible to those outside the national group. There was another factor in arriving at the distribution, namely the record in previous government issues. That system was found to work quite effectively, and I think I can add that it was satisfactory from the point of view of the country.

Mr. HANSON (York-Sunbury): The cost to the country was three-quarters of one per cent.

Mr. RALSTON: Plus expenses.

Mr. HANSON (York-Sunbury): That would be the cost of preparing the bonds and advertising.

Mr. RALSTON: I am sorry I cannot answer at the moment the other question with regard to the charge made by banks for cashing coupons.

Mr. HANSON (York-Sunbury): As I recall it, in previous war loans the first commission to the bank covered the cost of cashing coupons during the lifetime of the issue. The arrangement was a good one, and I was wondering whether it was being perpetuated. I understand that the coupons are payable at par at any branch of a chartered bank in Canada, no charge being made to the investor.

[Mr. R. B. Hanson.]

As far as he is concerned, that is all to the good. The point is not of great importance. I was merely asking for information, but if the minister cannot give it, all right.

Mr. RALSTON: I can give my hon. friend the information now. I knew there was some difference having regard to when the issue was made. The chartered banks receive one-eighth of one per cent of the face amount of the coupons cashed from all issues sold since 1923. In the case of the war loans 1915-1919 the charge for cashing coupons was included in the issue commission.

Mr. HANSON (York-Sunbury): Now they are paid by the government.

Section agreed to.

Section 3 agreed to.

On section 4—Orders and regulations.

Mr. HANSON (York-Sunbury): I suppose this section is necessary. I regret that we cannot write the regulations into the legislation itself, but it is impossible to foresee every contingency and orders or regulations may be necessary to suit conditions as they arise.

Section agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

JOINT USE OF CERTAIN TRACKS AND TERMINALS FOR PURPOSES OF NEW ENTRANCE INTO VANCOUVER

The house resumed from Thursday, May 30, consideration in committee of Bill No. 10, to ratify and confirm a certain agreement respecting the joint use by Canadian National Railways of certain tracks and premises of the Vancouver, Victoria and Eastern Railway and Navigation Company, at Vancouver, in the province of British Columbia—Mr. Howe—Mr. Fournier (Hull) in the chair.

On section 1—Agreement ratified and confirmed.

Mr. GREEN: I understand that this bill merely ratifies an agreement between the Great Northern and the Canadian National Railways. Is the city of Vancouver interested at all? And if so, has the city approved the terms of the bill?

Mr. HOWE: The entire arrangement is by agreement with the city of Vancouver. It has been approved by the transport board after hearing all parties. The principal purpose of the change in the westerly end of this section of the line was to eliminate a level crossing,

which was done under orders of the city of Vancouver. I am sure there are no objectors to the bill.

Mr. GREEN: This is just to complete the arrangement made between the city and the two railways?

Mr. HOWE: That is true. Practically it completes the agreement of 1915, which required certain work to be done, the abolition of grade crossings and the improvement of streets. All that has now been done and this permits the last part of the agreement to be carried out—the removal of Canadian National railway tracks from a certain street.

Mr. STIRLING: I understood the minister last night to say that the Great Northern was not included. The member for Vancouver South (Mr. Green)—perhaps it was a slip of the tongue—referred to the railway as the Great Northern. I asked the minister about that last night.

Mr. HOWE: The Great Northern is not a party to the agreement in any way unless it should be the owner of this particular railway.

Mr. STIRLING: That is what I was getting at.

Mr. HOWE: My hon. friends opposite may know whether the Vancouver, Victoria and Eastern Railway and Navigation Company is owned by the Great Northern. I do not know. I think it is probable, but I asked the question of my officers, and no one could tell me.

Mr. GREEN: The Vancouver, Victoria and Eastern Railway is a subsidiary of the Great Northern, I understand.

Mr. HOWE: I dare say that is true, but I cannot say positively whether it is or not.

Mr. MacINNIS: I understand from the explanatory notes that the original agreement of 1915 gave the right to run over the Vancouver, Victoria and Eastern Railway's tracks from New Westminster into Vancouver, right into the terminal; that this was made an agreement in perpetuity some time ago, and this bill covers that part of the railway from where the viaduct goes over the track to the terminal. That being so, I would ask if the terms of this agreement are identical with the terms of the original agreement.

Mr. HOWE: I cannot answer that definitely, but it is my belief that they are. As the matter had been thoroughly examined by the board of transport commissioners and approved by them, and would have ended there had it not been that the agreement was for more than twenty years, I confess I did not examine into the terms of the agreement itself. The whole purpose of coming to parliament is to extend the term of the agreement from twenty years to perpetuity.

Section agreed to.

Section 2 agreed to.

Schedule agreed to.

Bill reported, read the third time and passed.

BEAUHARNOIS POWER COMPANY

PROPOSED APPROVAL FOR DIVERSION OF ADDITIONAL 30,000 CUBIC SECOND FEET

Hon. C. D. HOWE (Minister of Transport) moved the second reading of Bill No. 9, respecting the Beauharnois, Light, Heat and Power Company.

Hon. R. B. HANSON (Leader of the Opposition): Before the bill is given second reading and is considered in committee I think we should have a clear statement from the minister with respect to its purposes, so that the house and the country may be clearly seized of its objects and effect. I do not wish to make any remarks on the bill until the minister has made his statement, and I invite him to do that now; then I shall have something to say.

Mr. HOWE: The Beauharnois Light, Heat and Power company now has a lease of certain power rights from the province of Quebec in the flow of the St. Lawrence river. It was granted, by act of parliament passed in 1931, the right to divert the water of the St. Lawrence river through its power canal to the extent of 53,000 cubic second feet. The act of 1931 declared that the Beauharnois Light, Heat and Power canal and works were works for the general advantage of Canada; and by that act control of the power canal, in fact, the ownership of the canal, was vested in the federal government. The same act provided that no more water could be diverted from the St. Lawrence for power purposes except by act of parliament. Some eighteen months ago the government received an application for a further diversion of power from the St. Lawrence through the Beauharnois canal. The company pointed out that it held what is called an emphyteutic lease from the province of Quebec for an additional 30,000 cubic second feet of water, and asked the federal government to implement that lease by authorizing the diversion of an additional 30,000 cubic second feet. The circumstances were looked into carefully. It was found that at that time no particular shortage of power existed, and there seemed then to be no great public interest which required the

federal government to authorize that diversion. Since then the situation has been changed tremendously by the war. Large blocks of power are being used by such industries as the alloy steel and electric steel industries.

Mr. MacNICOL: Aluminum.

Mr. HOWE: Well, aluminum does not apply largely in this particular case. It has been a very important factor in taking up power generally. Also flour mills, which are large users of power, have greatly expanded their production; with the result that in a very brief time, measured in months, the power problem has changed from an easy situation to a very limited situation so far as obtaining large blocks of power is concerned. The Beauharnois company is the largest and the principal supplier of power in the Montreal area. It also sends power across the provincial boundary into Ontario, where it is retailed by the Ontario hydro-electric power commission. The government has had representations from that commission that it is urgently in need of enlarged blocks of power. It has also had a report from the Quebec electrical board to the effect that the unsold power in the Montreal area is reaching a dangerously low point.

As Minister of Munitions and Supply, it has become my duty to ensure an adequate supply of power for the manufacture of munitions of war. Plans have been made for industries within the Montreal area which cannot be put into effect unless there can be an assurance that increased blocks of power will be available when these projects are completed. If I had doubts some eighteen months ago whether it was greatly in the public interest to grant this additional diversion, as Minister of Munitions and Supply I now have not only no doubt of the necessity, but I feel I should be negligent in my duty to that department did I not press as strongly as I could to have this additional power made available without delay.

So far as I know, this Beauharnois project represents the source of additional power which could be made available most quickly. With very little improvement the power canal can handle the additional water. The power house is of sufficient size to permit additional turbines to be installed. I am not sure whether the power house is now large enough to take the entire capacity, but I do know that a considerable increase in capacity can be made without enlarging the present power house. In other words, we have the power canal, the power development itself, and a power house adequate to receive the additional generators. So that we have at Beauharnois a source of power located in a great industrial area, the greatest industrial area we have in this country, and capable of immediate enlargement.

I believe I have given the house the pertinent facts of the matter. Of course the lease of water power is a provincial matter. The provinces own the power rights, and the province in which this industry is situate has already taken steps to lease the water power rights needed for this purpose. The government is interested primarily in navigation; and I have looked into that question and can assure the house that no navigational interest will be prejudiced by the diversion of this water. I understand that only one boat travels, or has travelled for many years, between lake St. Francis and lake St. Louis. That is a tourist boat, the *Rapids Queen*, operated by Canada Steamship Lines; and I think no public interest will suffer greatly if the operation of that boat, which has become hazardous because of the lower water conditions over the years, is made to cease entirely. I believe that the public interest as affected by power for industrial purposes, and particularly for the production of munitions, will be greatly benefited by this additional diversion, and I am satisfied that no navigational interest will suffer by the diversion.

Mr. HANSON (York-Sunbury): It is indeed reassuring to hear the minister say that no navigational interest will suffer by the diversion of this additional water. I quite agree that under present conditions it is not likely to interfere very much with the excursions of the *Rapids Queen*, but for quite a while now this country has been talking about a St. Lawrence waterway, and this area will be an integral part of it; the diversion of this water will have a bearing upon that scheme if it ever goes through. I do not intend to-day to rake up old scandals or anything of that sort, but the country's mind might well be refreshed after a period of nine or ten years with regard to this whole project.

I agree that the interest of the dominion is through its control of navigation, and navigation solely. I have lately been reading the argument made in this house by the Minister of Justice when, I think it was in 1931, certain Beauharnois bills were before parliament for enactment, in regard to which he took a different point of view; however, it is a settled opinion that if the Dominion of Canada has any interest in this project at all it is by reason only of its jurisdiction over navigation. I think that is a very sound legal position, notwithstanding the view that may have been taken in former years by eminent counsel, including my right hon.

friend, with respect to that question. I do not think there can be any doubt that the province of Quebec, in whose territory this power site lies, owns or controls the water, at least so far as hydro-electric power purposes are concerned. But because of its jurisdiction in respect of navigation the position has been affirmed from the very beginning, and I desire now to maintain it, that the dominion parliament has complete control over the diversion of water from the St. Lawrence river. The power company must first get from the Quebec government a grant of title to the waters for power purposes and the right to divert it must come from the dominion. So we are probably on common ground with regard to that.

The Beauharnois Light, Heat and Power company, which I believe is the operating company, was incorporated by the Quebec legislature as long ago as 1902. The statute was amended in 1928 when the present development was promoted by a group in Montreal about which a good deal has been heard in days gone by; I think I can just leave it at that. The act referred to, the Quebec statute of 1928, 18 George V, chapter 113, gives the company the right to build a new canal between lake St. Francis, the upper lake on the St. Lawrence river, and lake St. Louis, the lower lake, into which the water from this canal runs.

On April 27, 1928, an order in council was passed by the government of the province of Quebec authorizing the issue of an emphyteutic lease for a period of seventy-five years to the Beauharnois company of the rights of the province of Quebec to such part of the hydraulic power as could be developed from the diversion of 40,000 cubic feet per second. The lease that was issued under and by virtue of that order in council was conditional upon the company's authorization from the federal government to divert the flow of 40,000 cubic feet per second. On December 5, 1929,—in point of time, I believe, subsequent to the dominion authorization of such diversion—the company was granted by the Quebec government the right to an additional 13,072 cubic feet per second.

On application made by the company to the governor in council some time prior to March, 1929, and following a hearing before the then minister of public works and two other federal ministers, the celebrated order in council No. 422 was passed on March 8, 1929, authorizing the construction of a canal by Beauharnois and the diversion of 40,000 cubic feet per second. I have the order in council here. It is an historic document, containing a great many provisions no doubt intended, and properly so, to safeguard the public interest. It will be noted that the authorization was by order in council, not by parliament, on the theory, as I understand it, that under the Navigable Waters Protection Act jurisdiction was in the governor in council and an order in council was all that was necessary. Probably that is a correct statement of the position.

In June, 1929, about ten weeks after order in council No. 422 was passed, an agreement was entered into between the Beauharnois company and His Majesty the King in the right of the dominion, incorporating the terms and conditions of order in council No. 422. This agreement was approved by order in council No. 1081 of that date. I refer to the numbers and dates so that if any hon. member wants to look into the contents of these orders in council he may do so. They are all set out, I believe, in the evidence and minutes of proceedings of the Beauharnois committee of 1931, where they may be found in a convenient form.

In that same year the governor in council passed three other orders in council, Nos. 2201, 2202 and 2203, which authorized the transfer of three water-power leases previously granted to Montreal Cotton company. These leases were assigned by the Montreal company to the Beauharnois company, and under and by virtue of that transfer and assignment the Beauharnois company acquired the right to use and divert into the canal the 13,072 cubic feet per second which together with the 40,000 cubic second feet authorized in March, 1929, make up the total of 53,072 cubic second feet which they are authorized to divert at the present time. The diversion of the 13,072 cubic feet had been authorized by previous arrangement and was I think vested in the Montreal Cotton company, and no question arises with respect to that.

The question of the diversion of this water arose in the house in 1930. Nothing took place. It was raised, if I recollect aright, by the then hon. member for Acadia, who is not now in parliament. Again it was raised in 1931 because of allegations made across the country with respect to what had taken place after the passing of order in council No. 422 in 1929. I recall very well the sittings of that committee, some of the results that flowed from them and some of the controversies that took place in this house in connection with the report of the committee and the legislation that resulted from it. I do not intend to go into that to-day. The committee made a report on July 28, 1931, and as a result two statutes were passed by this parliament, which

are chapters 19 and 20, 21-22 George V, assented to August 3, 1931. The preamble of the first statute recites:

—grave doubts have arisen as to the validity of order in council P.C. 422, dated the eighth day of March, 1929, as amended by order in council P.C. 1081, dated the twenty-second day of June, 1929, which purported to be made under the provisions of the said Navigable Waters Protection Act, and also as to the validity of an agreement based upon the terms and conditions of said amended order in council, made between the Beauharnois Light, Heat and Power Company, Limited, and His Majesty the King, which was executed on the twenty-fifth day of June, 1929—

In the enacting sections the statute goes on to annul order in council P.C. 422, dated March 8, 1929, as amended by the second order in council to which I referred, as well as the agreement. Section 2 provides:

The Beauharnois Light, Heat and Power Company, Limited, its successors or assigns, in so far as it may be within the competence of parliament, is hereby granted the right to divert from lake St. Francis up to but not exceeding 53,072 cubic second feet of water of the flow of the river St. Lawrence, to be returned to lake St. Louis—

That is to say, having rescinded the authority previously given, in the manner in which it was given, parliament then gave this company the right to divert water up to that limit. Then section 3 contained an absolute prohibition against the governor in council consenting to any further or additional diversion of water by that company from the St. Lawrence river except with the express approval of parliament. The result of that legislation was to grant the diversion the company was then expected to operate under, to put it on a sound and safe basis so they would be sure they had what they wanted up to that point. But the primary object of the legislation was to prevent any further diversion being permitted by the governor in council and to retain control in parliament, I think in the interests of navigation. As is well known, of course, this company went through the throes of a reorganization—

Mr. LAPOINTE (Quebec East): Is there not a section which reserves the rights of the province of Quebec in the use of the water?

Mr. HANSON (York-Sunbury): Yes; I am coming to that. I may as well deal with the two statutes at once; I want to be as coherent as possible and not take up too much time.

A moment ago I stated that there were two statutes, and I have given the house the substance of the first, together with what appear to be the reasons for that statute. At the same time parliament passed a second statute, which is chapter 20 of the statutes of that year, the preamble of which deals with the question of jurisdiction. This has to do with inland navigation, and I think it was upon that basis that the act was passed. At all events that was one of the reasons. The preamble states:

Whereas the improvement of inland navigation by the development of a deep waterway, which is now in progress, from lake Superior to the sea—

I might interject that we were then either finishing or had just finished the great Welland ship canal.

—through the great lakes and connecting waters and in part in, over or along the St. Lawrence river, requires that the canal now being constructed or to be constructed by the Beauharnois Light, Heat and Power Company, Limited, should hereafter be under the legislative jurisdiction of the parliament of Canada and be made available for navigation for vessels of such size and draught as may use the new Welland canal upon its completion—

This company having been given the right to divert 53,000 cubic feet per second, the effect on the flow of water for purposes of navigation will be appreciated at once. My information is that the canal was designed, constructed and in fact conceived to take the whole flow of the river, about 250,000 cubic feet per second; and it was because of the idea that eventually this company might gain the whole flow of the river that it was deemed desirable that the canal should be vested in His Majesty the King, while built at the expense of the company, so as to take the place of that portion of the St. Lawrence river bed which would be denuded of water by the entire diversion of the river.

I understand that the canal cost $16,000,000. Anyone who has seen the canal must be impressed with the magnitude of the whole undertaking. This statute, chapter 20, was designed to vest the canal in His Majesty the King, and to declare that the work was for the general advantage of Canada, so as to give jurisdiction over the canal to the government of Canada, having regard to the appropriate provisions of the British North America Act. Section 3 contains a provision empowering the governor in council to acquire such lands and works as may be deemed necessary or useful for the improvement of navigation by means of said canal between the two lakes, and finally section 4 contains a provision safeguarding the rights of the province of Quebec, whatever they may be. I recall very well the discussion backward and forward at that time between Mr. Cahan, who was in charge of the matter, and my right hon. friend

the Minister of Justice (Mr. Lapointe). Certainly the rights of the province of Quebec are adequately safeguarded, and no question arises out of that.

One point further in this brief history of the undertaking. I understand that subject to the passage of legislation in 1931—and I have not the exact date before me—the Beauharnois company secured from the Quebec government of the day the right to use an additional thirty thousand cubic feet per second of water, and I understand the company were made to pay pretty well for that right, too. I do not know just what right and proper rentals should be, but I thought that if a company were receiving a public franchise from a province it was only right and proper that that company should pay proper compensation.

Mr. ROWE: They still have it cheap.

Mr. HANSON (York-Sunbury): It may still be cheap hydro power; I think perhaps it is. So far I do not think it has been an especially cheap hydro-electric installation, based on horse-power cost. But if they get this additional diversion of thirty thousand cubic feet per second, and if they ultimately secure the diversion of the whole of the waters of the St. Lawrence river, it will be a gold mine for the Beauharnois company. The country should get something out of it, and so should the province of Quebec. That is the history of the situation, as I know it.

This application is one for the diversion of an additional thirty thousand cubic feet per second of water from the St. Lawrence river. Under the existing statute application must be made to parliament. But before parliament passes the bill there are some considerations to which the House of Commons, the government and the public ought to give attention. I am not raising these matters in any hostile attitude. I understand that to-day the company has two contracts, one with the Ontario hydro-electric for 250,000 horse-power and the other with the Montreal Light, Heat and Power Company for 150,000 horse-power. It should be noted by hon. members that at the present time, and I believe since 1931, the Beauharnois company has been a wholly-owned subsidiary of the Montreal Light, Heat and Power company.

I know there was a great deal of recrimination in connection with the acquisition by the Montreal Light, Heat and Power company of the Beauharnois company. The original company, namely that of 1928, which might properly be described as the promotion company—I am at a loss to know how to characterize it—was in financial difficulties; and if the government had not taken action and guaranteed the banks over an interim period, this great enterprise might have gone into liquidation and been purchased for a song. There were some who thought control of the Beauharnois company ought not to go into the hands of the Montreal Light, Heat and Power company. But it was developed at the time and subsequently that no other group was capable of coming to the rescue of the Beauharnois company and of carrying its operations through to a successful conclusion. Whatever one may think about power monopoly, he must realize that there are practical considerations which have to be taken into account, particularly in a situation such as that which confronted the Beauharnois company.

I shall not go into that phase of the matter. Suffice it to say that the Beauharnois company is a wholly-owned subsidiary of the Montreal Light, Heat and Power company. I think I am correctly advised when I say—and if not I shall accept correction—that about 400,000 horse-power is being generated and sold, such horse-power being allocated as I indicated earlier in my observations. It is contended, and I have no doubt genuinely, that the Ontario hydro-electric authorities are approaching a time when more power will be needed from Beauharnois, notwithstanding what we have heard in recent years about selling Quebec power in Ontario. I shall not discuss that aspect of the matter at all, but I have no doubt power is needed in Ontario. I do not know what the situation is in the Montreal area.

I am wondering if the minister has any information as to what portion if any of the power is now being or in the future may be exported to the United States. My information is that the 150,000 horse-power to which I referred earlier goes into what is known as the Montreal power pool, and is used in various ways and through various channels. I have no information which would lead me to believe that any portion of that power is directly exported to the United States. I made some inquiries respecting the power exported to the Aluminum company located in the state of New York, and my information is that the power they import from Canada is developed at the Cedars. My understanding is that the development at that point is not a wholly-owned subsidiary of the Montreal Light, Heat and Power company, but is one in which they have a very substantial interest.

Will the minister indicate what portion if any of the present output of this power can be said to be exported to the United States, and what portion of any increased output will be so exported. It may be that none of it

will go to the United States; I have not been informed on the point. In any case the public ought to know something about it. If Canada is giving the right to the Beauharnois company to divert 30,000 cubic feet per second from the wholly enclosed Canadian portion of the St. Lawrence river, and if a portion of that increase is to be exported to the United States, we ought to know about it. No matter how friendly we may be to the great republic to the south, after such observations as I have been able to make I am led to the belief that once an agreement is made to export power to the United States we shall never get back the rights to that power.

I realize that there are two schools of thought on the subject. Frequently I have heard it urged that power is one commodity Canada can sell, and that we have an excess supply. It is stated that the sale of power would bring in money. The other point of view is that we should not permit any further export of power to the United States because after a time they might claim a vested interest and we should never get back the rights.

I remember clearly a debate which took place in this chamber in 1925 on a resolution moved by an hon. member then sitting on this side of the house, and seconded by myself. The government of the day was led by the right hon. gentleman who now leads the government; I believe the late Sir Lomer Gouin was minister of justice and my right hon. friend the present Minister of Justice (Mr. Lapointe) was minister of marine. On that occasion the principle of the resolution was accepted, namely that there should be no further export of power without the consent of the province involved.

Mr. LAPOINTE (Quebec East): Was that Mr. Stewart's motion?

Mr. HANSON (York-Sunbury): I think it was the motion of Mr. LeSueur. That gentleman is now connected with the Imperial Oil company, but in the years I have mentioned he sat in the house. I believe that principle has prevailed ever since, and I agree that it is a sound one. The view that we ought to sell our power in order to obtain ready money is a short term view. We ought to take the long term view of this matter. However, that is one point to which I should like the minister to give consideration. I am sure the information must be available to him and he should inform the house. I do not imagine for a minute that any of the 250,000 horse-power sold to the Ontario hydro is exported to the United States, but I should like to know definitely. Is any of the 150,000 horse-power sold to the Montreal company exported? Will any of the power to be generated by this additional diversion of 30,000 cubic second feet be exported to the United States?

There are three other considerations of a national character to which I desire to direct the attention of the minister. First, I should like to know what effect if any this additional diversion will have upon the water levels of Montreal harbour. I know that many people will say right off that it will have no effect, because this water is simply to be diverted at one point in the river, passed through the canal, and then expelled in the lower lake to go down the St. Lawrence river. However, it must be remembered that in order to make the best use of a water diversion, the water must be controlled. I think this is something about which the government should consult an independent hydro engineer. I have the highest respect for Mr. Henry's ability, but I think we should have some other opinion. To put it frankly, he is rather interested in the project. This diversion may result in a periodic lowering or raising of the water level at Montreal. I hope I have made it quite clear that I am not objecting; I simply offer this for the consideration of the government.

The next matter to which I would direct attention is the possible effect of this diversion upon the Soulanges canal, which is on the north side of the river opposite the Beauharnois development. I should like to know at what stage of this diversion or of future diversions will there be an effect upon the government-owned canal.

Mr. REID: Can the hon. member say whether or not the diversion which has taken place up to the present time has had any effect upon navigation?

Mr. HANSON (York-Sunbury): As I understand it, for quite a number of years there has not been much navigation. The only steamboat plying these waters was the *Rapids Queen*. I made that trip several times. I understand that this boat does not go down the rapids at the present time, but I am not prepared to say that that is because of any diversion that has taken place. Any navigation on the river is taken care of by the canal on the north side. If the hon. gentleman has ever travelled up and down the river he will know that that canal provides the only feasible way of getting up the river. I should like to know what effect this diversion will have upon the Soulanges canal. I can visualize the time when, if this company succeeds and additional diversions are permitted by future governments, the whole flow of the river will go through the power company's canal, thus rendering the canal on the other side useless

for navigation or any other purpose. This is a consideration which we ought to keep before us.

The next matter which I offer for the consideration of the minister and the government is this: If the present diversion or future diversions seriously interfere with navigation through the Soulanges canal, what arrangement is there in existence or what arrangement will be put into effect to permit navigation through the company canal? That is the canal which was built by the company and which has been vested in the federal government by legislation. At what stage of the diversion will the Beauharnois development be considered a navigation project as well as a power development? To-day it is only a power development, but if future diversions should change the course of the river it will become a navigation proposition. The government is in duty bound to see that provision is made to protect the rights of navigation. I hope there will always be navigation in the St. Lawrence river.

If my reading of the public press is correct, at this very moment the government is negotiating with the government at Washington for a new treaty to establish what is known as the St. Lawrence waterway development. My view is that in war time all such demands might very well wait. I am not going to say anything more about that at this time. This scheme has no friends in the maritime provinces, no matter what government promotes it, and I doubt if it has many friends in Quebec. I would not venture to speak for the hon. members from that province, who are well qualified to speak for themselves; but I do venture to speak for my own and neighbouring provinces. The Minister of Finance (Mr. Ralston) is a maritimer, and I am just throwing this out as a hint to him. This scheme has not many friends down there.

Mr. McCANN: There are lots of them in Ontario.

Mr. HANSON (York-Sunbury): That may be true. It just shows what a sectional country Canada is, which is a pity. I am not so sure that all of Ontario is in favour of it, neither am I so sure that all of the United States is in agreement. I have read many press reports and I have received many communications, but why labour that point now? I mention the matter merely in passing.

Let me ask this further question. What would be the feasibility and desirability of diverting the main flow of the St. Lawrence through Beauharnois, making it fully navigable and abandoning the Soulanges canal? What works would be required for that purpose, and is the government looking ahead to that situation? I think that parliament in granting this very important and very valuable franchise ought to take as long a view as possible of its every effect on the economy of this country, and I have endeavoured to present these considerations as best I could and bring them to the attention of the government. Having done that, I feel I have done my full duty. I am trying to do that, and I think hon. members will give me credit for presenting the matter in as judicious a way as possible without opening up any old sores. I could talk of "valleys of humiliation" and $500,000 election gifts, but I am not going to do so because that is past and done with. Perhaps I am sorry that I did not get part of that money to help elect myself. But that is all over.

There is a further consideration to which I would direct the minister's attention. What is the potential gross power development at Beauharnois? What is it capable of doing? Is it not sufficient, if fully utilized, to render completely unnecessary any further plans for the St. Lawrence waterway considered as a power project?

I would also ask the minister about the Chicago diversion. It may seem a little far afield to speak of that here, but I followed this matter in days gone by when I was here, and I was astonished at the absolute disregard by the Chicago municipal authorities of the agreement made between the two nations. I ask the minister now: Is the Chicago drainage commission complying with the terms of the judgment of the supreme court of the United States?

There is one further consideration. With this additional diversion, with this increase in the flow of water and the increase in the company's power production, will there be any effect on the capital structure of the company? Hon. gentlemen may say that that is none of our business. Possibly not; it is a matter of property and civil rights, the company being incorporated under a Quebec act. But I would remind the house that large sums of money were subscribed by the public and put into this enterprise in days gone by and were absolutely lost to the enterprise—not by the present owners, because I do not think any money has been lost by any action of theirs. But in days gone by there is no doubt that huge profits were made by the promoters of this Beauharnois scheme. Some of it did not stick very long with some of the recipients but it all came out of the public, every dollar of it, and it is loaded into the capital structure and into the rates which this company may charge. Will this new diversion of 30,000 cubic feet per second have

any effect on the capital structure? Will it have any effect on the rates? It should have, because this new diversion will make the cost of the installation very much lower per horsepower than it is to-day. I understand that the capital cost to-day is about $200 per horsepower. The figure may not be accurate; it is an estimate, and it is estimated that this additional diversion will reduce the capital cost per horse-power to $150, which as hon. gentlemen will observe is a very marked improvement in the capital cost of the installation.

I have already alluded to Mr. Henry. Mr. Henry's position with respect to this matter ten years ago occasioned a good deal of censure and recrimination. Mr. Henry was deputy minister of railways; Mr. Henry was head of the Beauharnois corporation. I cannot recall whether he occupied both positions at the same time. My colleague from Yale (Mr. Stirling) says he did not. But I know there was a great deal of criticism with respect to Mr. Henry's relationship to this project and the application that was granted in March of 1929. Mr. Henry is now the head of the Beauharnois corporation, and I understand that he is the minister's right hand man.

Mr. MacNICOL: He is a liaison officer.

Mr. HANSON (York-Sunbury): He is liaison officer with the minister. I am not going to pursue that—

Mr. HOWE: To get the record straight I may say that Mr. Henry is a member of the executive, first of the war supply board, now with the Department of Munitions and Supply, serving without salary.

Mr. HANSON (York-Sunbury): Very good.

Mr. HOWE: And I suggest that a man doing that should not have unnecessary disapprobation piled on his head.

Mr. HANSON (York-Sunbury): I agree with the minister. You will not find me slinging any mud at Mr. Henry. I am simply calling attention to the present situation which is somewhat similar at least to the situation which existed in 1929.

I am not going to vote against this bill. I believe that the company is up to the limit of the power which can be developed from the present diversion. Is that correct?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): Just about up to that. I understand from the minister to-day, and this is a very important point to which we should give consideration, that in the area served by this development there is need for more power. I am quite prepared to accept the minister's statement on that. I believe it is correct, and that is one fairly good reason—it may not be the best reason in the world—for putting this bill through. The only reason I have occupied the attention of the house for so long was to call its attention to the relationship of this development to the national interests. The government in the final analysis must take full responsibility for putting this bill through; by making it a government measure they have taken that responsibility.

In closing I commend to the minister's attention the different aspects of the matter to which I have referred. There are questions of a serious public character to which consideration should be given and in respect of which there should be a statement from the government before the bill is finally passed.

Mr. LAPOINTE (Quebec East): May I ask my hon. friend and the house if the bill could be allowed to go to committee, so that the minister might be able to give the information which has been asked for?

Mr. HANSON (York-Sunbury): I think that would be the proper procedure.

Mr. MacNICOL: The minister intends to put the bill into committee right away?

Mr. LAPOINTE (Quebec East): Immediately.

Mr. HOWE: It is merely for the purpose of allowing questions to be answered.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Fournier (Hull) in the chair.

On section 1—Authority to divert.

Mr. MacNICOL: I am not rising to oppose the bill, but I have some questions which I wish to ask, so if the minister is replying later on to any other hon. member, he can at that time also answer my questions. At the same time I wish to say something about the whole matter which is involved in the bill.

As I understand it, the authority of this parliament is strictly confined to navigation. That being the case, all we can do is either approve or disapprove the bill, because the production of power is wholly a matter for the province of Quebec. Since the government sponsored the bill, and in view of the fact that the diversion of 83,072 cubic feet of water per second will destroy the river, so far as navigation is concerned, from lake St. Francis down the rapids section of the river to lake St. Louis, I should like the minister to inform the committee if the government

has ascertained and satisfied itself that so far as navigation is concerned from lake St. Francis to lake St. Louis, the St. Lawrence is "through"; for, as I said a moment ago, the diversion of 83,072 cubic feet per second will destroy navigation; in fact at present, during the summer time, navigation is destroyed through the diversion of the present 53,072 cubic feet of water.

Mr. HOWE: It is not very good in the winter time either.

Mr. MacNICOL: Occasionally, when high water is available, the Canada Steamship boat, the *Rapids Queen,* can go down that section, but navigation is precarious excepting during high water.

I might, perhaps, give a little background regarding the flow of the water at the point where it is affected by the Beauharnois canal and where it flows down the river to lake St. Louis. This is one of the greatest sites of potential power wealth in the world. Behind lake St. Francis the area of the St. Lawrence watershed, outside of the Ottawa river watershed, is 250,000 square miles, more largely in Ontario than in the United States, but shared almost equally between them. The total flow of the river at the outlet on lake St. Francis in high water is about 230,000 cubic feet per second; it varies from that amount down to 180,000 cubic feet per second in low water. As I have said, in low water the diversion of 83,072 cubic feet from 180,000 cubic feet of water would destroy the value of the river for navigation purposes. I want to have it clear in my mind whether the government has decided that so far as navigation is concerned between lake St. Francis and lake St. Louis, the St. Lawrence river is "through."

The river from the gulf of St. Lawrence to the head waters—and I have followed it from one end to the other—is about 1,870 miles. It has immense potential power value. Right at the outlet of lake St. Francis at present what is the situation? Beauharnois diverts 53,072 cubic feet of water per second, from which it develops, or can develop, on an 85 per cent basis, 400,000 horse power. As any engineer in the house knows, the horse power is based on the height that the water drops, which is 83 feet. The level of lake St. Francis above the sea being 152 feet, and the level of lake St. Louis being 69 feet, this makes the difference of 83 feet. The flow of the river, which is taken normally at 230,000 feet per second, multiplied by the height of the fall, which is 83, and divided by 11, will enable anyone to figure out the normal power, which would be approximately 1,750,000 horse power on that basis. I believe that to-day the Beauharnois company are developing all but one-half of the power of one generator. As my leader said, they are developing practically all they can. A little down the river from the outlet of lake St. Francis there are two other power sites in operation: The Cedars on the north side of the river developing about 225,000 horse power, and the St. Timothy on the south side of the river developing 30,000 horse power. In other words, at the moment there is being developed from the flow of the river east of lake St. Francis in the rapids section between lake St. Francis and lake St. Louis, approximately 655,000 horse power.

Now my leader referred to the possible diversion of the full flow of the river, and asked the minister what the horse power would be if the full flow of the river were diverted through the Beauharnois canal. The full flow is 230,000 cubic feet per second. I suppose it could be regulated back west through the reservoirs of the five great lakes, commencing with lake Superior, the largest, having an area of 31,800 square miles, and lake Ontario, the smallest, having an area of 7,760 square miles. Therefore I have no doubt that remedial works west of Kingston, Ontario, to the sources of the river could provide enough water that the flow of 230,000 cubic feet per second could be maintained. That being the case, the total power which could be developed by the full flow of the river at Beauharnois is 230,000 multiplied by 83 and divided by 11, or approximately 1,750,000 horse power. There we have an everlasting and perfect potential power development, which so far as I know is not surpassed anywhere in one unit.

There is one feature that I do not like—not about this development itself; I think the development is a splendid one—but I do not like one phrase that is in the bill because it recalls another very sad event that happened to Canada. In the preamble are these words:

> . . . urgently required to meet the increased demand incident to manufacture of materials for war purposes.

I have in mind that in 1918 there took place in the St. Lawrence river another diversion in regard to which somewhat the same words appeared in the submission presented to the International Joint Commission when the Aluminum company at Massena applied to that commission in August I believe, at any rate during the summer of 1918, for permission to erect a weir in the south channel of the St. Lawrence river between Long Sault island and the New York shore. The same argument was put up for permission to divert waters, namely "for war purposes." The International Joint Commission granted the Aluminum company the right to erect a weir in the river, the first result being that the river was raised

five feet, and the second result was that navigation was totally destroyed in the south branch of the St. Lawrence river. The commission gave the Aluminum company the right to erect that weir on condition that it should be removed at the end of the war, or in any event within five years. That has not been done; that weir is still across the river between Long Sault island and the south bank of the river. I have made a careful examination of it, photographed it, and what I am stating I know to be a fact. There is no navigation down the south branch of the St. Lawrence river, and for years—for generations, from the commencement of navigation in the St. Lawrence—the south branch was a navigation channel. That weir has not been removed in spite of the express order of the International Joint Commission.

Mr. CHEVRIER: May I tell the hon. member that there was no navigation in the south branch of the river before the weir of which he speaks was built.

Mr. MacNICOL: My hon. friend evidently is not familiar with navigation in the south branch of the St. Lawrence river. I may tell my hon. friend that this matter has had long study by me, and from the commencement until 1896 the south branch of the St. Lawrence river could be navigated.

Mr. CHEVRIER: That is correct. May I interrupt the hon. gentleman? What I was telling the hon. member is that prior to the construction of the weir there was no navigation south.

Mr. MacNICOL: And I am telling my hon. friend again that he is wrong. I repeat what I said; up until 1896, about the time the Massena canal was first commenced, the south branch of the St. Lawrence could be navigated. I was up and down it myself from the town of Prescott when I was a boy. I am not in the habit of making statements here that are not correct. In spite of the order of the International Joint Commission the weir is still in the river, and the Massena company is diverting 25,000 cubic feet per second with which they are generating 90,000 horse power at Massena.

However, I am not opposing these words in the bill; I am merely stating that they recall to my mind another diversion from the St. Lawrence river that has been wholly unsatisfactory so far as Canadians are concerned, for we receive no revenue from that diversion.

Something was said about the export of power. I also am generally opposed to the export of power. Years ago when the development of the St. Lawrence river for power purposes was proposed, the late Sir Adam Beck, who was then chairman of the Hydro-Electric Power Commission of Ontario, stated, in a protest against the exportation of hydro-electric power, with special reference to a power development that at that time was proposed to be erected on the Ottawa river at Carillon, as reported at page nine of the report:

I am not alone.

That is in the opposition to the export of power.

Premier Ferguson of Ontario and Premier Taschereau of Quebec on different occasions have expressed themselves most forcibly against the exportation of electricity upon any terms such as those outlined for the proposed Carillon lease.

Mr. HANSON (York-Sunbury): What is the date of that?

Mr. MacNICOL: The report of 1925, page 9.

My leader asked: Is there any power being exported by the Beauharnois company? My information may not be correct, but as given to me it is that in consideration of the United States interests at Niagara releasing the Hydro-Electric Power Commission of Ontario from the agreed export at Niagara falls of some 40,000 horse power, that amount is now exported from Beauharnois to compensate for said release. Of course that is not an additional exportation; it is only taking the place of the said exportation that would have been carried on from Niagara falls according to agreement.

One reason why I am not against the diversion of the water, provided the government have decided that navigation is "through" east of lake St. Francis, is that the Hydro-Electric Power Commission of Ontario does require power. And it has a right to expect to be able to purchase power from the Beauharnois company because, in a pamphlet issued in 1928, entitled "St. Lawrence waterway project" are these words:

We believe the situation justifies consideration of the present problem from the broad national standpoint by both the provinces concerned—

That is, Ontario and Quebec.

—and that in the national interests such arrangements should be made as will enable Ontario to secure her power requirements for eastern territory from the purely Canadian section of the river pending the development of the international reaches. We are of opinion that, in the light of the good understanding presently obtaining between the two provinces, this would not be difficult of arrangement, and that power could be thus secured at rates which will compare most favourably with present cost of Ontario power.

That merely goes to show that Ontario should expect to obtain power from Beauharnois and have it delivered to the Ontario hydro commission. As I said a moment ago, the hydro commission does require more power. Prior to the depression I believe the demand for power increased at the rate of about ten per cent a year, but during the depression the demand decreased. In one of the last years of depression, 1937, the power generated by the Ontario Hydro-Electric Power Commission direct was 1,094,504 horse power. In 1938 it was about the same—1,086,729 horse power. In 1939, however, I suppose owing to the demand made by industry in preparing to produce munitions, the government having gone into that work to some extent, the power produced rose to 1,228,552 horse power, an increase of thirteen per cent in one year. From other hydro interests and companies producing power for the hydro commission, the commission obtained 1,484,650 horse power in 1938 and 1,669,335 horse power in 1939, or an increase of twelve per cent in that period. So to-day there is a substantial demand, and I am told that at the present time the hydro electric power commission has a reserve of not more than 300,000 horse power.

There are other places where electricity can be developed. One such place is the Nipigon river. They are now developing a large block of power there, but just south of the point where the Nipigon river leaves lake Nipigon there is a most magnificent falls called Virgin falls, and just down the river there are two other rapids. From those three rapids I am told some 75,000 horse power could be developed. And if we can obtain an agreement with Quebec we can develop about 225,000 horse power at the Carillon, and by agreement between the two provinces another 600,000 horse power can be developed between Chats falls, where they are developing, and lake Temiskaming. None of that power, however, could be brought into operation quickly, so there is some merit in the request of the Beauharnois company to develop more power.

As someone said not long ago, the Beauharnois development is a wonderful project. In my surveys up and down a great number of rivers I have always been struck with the way God, in laying out the courses of the rivers, provided many wonderful places for the development of vast power resources. The river may take a turn one way round a bend and go down a series of rapids, but God has left, between where the river starts to bend and where power can be developed, a narrow flat table-land, so that all man has to do is dam the river, dig a short canal and develop power. The Beauharnois canal is fourteen or fifteen miles long and something like 3,000 feet wide. It is a wonderful sight, running across a table-land, the edge of which is the shore of lake St. Louis, where there is a fall of 83 feet. In that distance of fourteen or fifteen miles the river drops down its natural bed over a series of rapids of which the Coteau, Cedars and Cascades are the principal three. So at Beauharnois there is an opportunity to develop power rapidly. I believe they would have to erect another power house, since I understand that now they are developing to capacity with the exception of half of one turbine. However, they could construct a new power house more rapidly than the Ottawa river could be dammed and a power house erected at that point.

I want to take this opportunity to warn the government in the strongest way possible that if they make any attempt whatever to permit the diversion of water from the Albany river watershed, I will fight it as long as I can, I care not who introduces it or who supports it. I am wholly opposed to the diversion of water from one great watershed to another. I am told that the hydro power commission have stated that they will do this if they are permitted, and I believe there is some talk of writing such a provision into the St. Lawrence treaty, but I will fight any provision in that treaty in regard to the diversion of Albany river water into the great lakes. They have erected dams on a branch of the Albany river, namely the Kenogami river, as the minister knows, at a cost of one and a half or two million dollars, and they cannot use a drop of that water without the consent of this parliament and the congress of the United States. I do not think we should do anything like that; I believe we can get all the power we want in Canada without that, but of course that is another matter.

A few moments ago my leader said something about what took place in 1931. I am not going to enlarge on what he said. I was in this house at the time and I well remember the speech made by the Prime Minister. I felt very sorry for him at that time. I am convinced of this, that if there is one thing we can say about the Prime Minister it is that he is absolutely honest personally. I do not believe anyone could point a finger at the integrity of the right hon. gentleman, but at that time there was a rather sorry mess associated with the development of Beauharnois. I always regret that such a great, God-given treasure to Canada should have been mixed up with such a dirty mess at that time.

Perhaps I might answer a question which was asked by the leader of the opposition

with regard to the Chicago drainage canal. I keep in constant touch with the diversion at Chicago and know it perhaps as well as it is known by most people. At the moment the Chicago diversion is down to the amount set out in the judgment of the supreme court; that is, the diversion for dilution purposes, which is 1,500 cubic feet per second. On the other hand, Chicago has increased its takeage of water for domestic purposes until to-day it exceeds the per capita takeage for domestic purposes of any great city in the world. It is said it is now taking for the 4,000,000 or 5,000,000 citizens in the Chicago sanitary district, over 300 gallons per day per citizen. That means it is taking somewhere between 1,250,000,000 and 1,500,000,000 gallons of water per day, or the equivalent of about 2,000 cubic feet per second. That amount is much more than Chicago took for domestic purposes before the judgment was issued by the United States Supreme Court. So that when the government is considering the diversion at Chicago, in connection with the St. Lawrence river development, it should keep in mind the fact that Chicago is taking far too much water for domestic purposes, and is thereby in a position to dilute its water more than it would otherwise do. It is still a Chicago steal in that regard.

My leader said something about the Soulanges canal. I believe that canal starts about Coteau Landing, or just east of that point. The Beauharnois diversion is constructed in such a way that a long weir runs out into the lake. The lake being level, I should not imagine that a further diversion of 30,000 cubic feet per second would interfere with the present operation of the Soulanges canal. However, it might do so. Certainly it might well interfere with power production farther down the river, and would eliminate possibilities of navigation down the river.

When the minister speaks, I should like him to answer these questions:

(a) Does the government propose to abandon navigation down the river between lake St. Francis and lake St. Louis? If it does, then I presume there will be no further objection to any further diversion.

(b) What effect will the additional diversion of 30,000 cubic feet per second have on the production of power at the Cedars power plant and at the St. Timothy power plant? If the power development at either of these plants is affected by the increased diversion, who is going to compensate the present producers of the power?

(c) Is the government going to permit the export of power generated by the further diversion of 30,000 cubic feet per second at Beauharnois?

[Mr. MacNicol.]

(d) As the diversion will destroy navigation, and as it will destroy navigation for small pleasure craft and ships operated by the Canada Steamship Lines, will the minister tell the committee if the Canada Steamship Lines have any vested rights in the river in connection with the passage of its ships, and if so, who would compensate that company for the loss of the privilege of sailing boats down the river? We must realize that the boat trip down the St. Lawrence is one of the greatest scenic trips in the world.

(e) Provided the Beauharnois company is given the right to divert this water, and when or if the St. Lawrence canal or whatever navigation canal the government is going to construct through the Beauharnois canal is constructed, will Canada be in any way obligated to pay for navigation purposes part of the cost already expended by the Beauharnois company?

I ask that question because I am told that there will be a clause in the new St. Lawrence agreement to the effect that the cost of the development of the St. Lawrence waterways will be divided as follows: Purely power purposes, so far as Ontario is concerned, to be paid by the province of Ontario; purely navigation purposes to be paid by the Dominion of Canada; purposes common to both power and navigation to be paid equally by both. I have in mind that when the Beauharnois bill went through the house nine or ten years ago I was fully convinced, and I believe all hon. members were convinced, that if and when the Beauharnois canal became a navigation canal it would not cost the Dominion of Canada anything, apart from the building of the locks.

That is all I have to say on the matter. I am not going to vote against the bill, if the government gives satisfactory answers to what I have asked. I am sorry that the greatness of this power project was in its early stages somewhat marred by the dirty mess which surrounded its inception.

Mr. COLDWELL: This is probably one of the most important bills we have had before us for a considerable length of time, and one which, in the opinion of hon. members of this group, should be referred to the committee on railways, canals and telegraph lines, in order that a thorough investigation may be made into what the proposed bill involves.

In discussing the bill this afternoon the minister said it was necessary to obtain this right to divert a further 30,000 cubic feet per second as a requirement of war production. May I point out to the committee that the bill provides for the diversion of this water after the war is over. On the grounds of a war necessity we are extending the concession

of one of the most valuable resources of our country to a private corporation. As has been shown already by hon. members who have spoken, the amount of the diversion will be so great that in reality we are giving a virtual water-power monopoly to the Beauharnois company.

It is proposed to increase the amount already granted by 30,000 cubic feet per second, and thereby bringing the total amount up to about 83,000 cubic feet per second. As shown by the hon. member who has just taken his seat, that involves more than one-third of the possible flow of water in the river St. Lawrence. In view of the circumstances it is perfectly obvious that parliament has a duty to all the people of Canada, and that such a right should not be granted to the Beauharnois company until the whole matter has been thoroughly investigated by the proper committee and a report made to the house.

The present application carries the Beauharnois company's control of the water of the St. Lawrence river one step farther towards complete control. That, it seems to me, involves something else; it involves the whole of the St. Lawrence waterway scheme. Before we vote upon this bill, the minister should tell us if the proposed additional diversion has been submitted for the approval of the International Joint Commission. If this has not been done, should the government not consider the obtaining of their approval in view of the boundary waters treaty? I have before me an opinion given on December 21, 1928, by the deputy minister of justice, Mr. Edwards. The boundary waters treaty between Canada and the United States was made on January 11, 1909. That treaty contained certain terms, and article IV states:

The high contracting parties agree that, except in cases provided for by special agreement between them, they will not permit the construction or maintenance on their respective sides of the boundary of any remedial or protective works or any dams or other obstructions in waters flowing from boundary waters or in waters at a lower level than the boundary in rivers flowing across the boundary the effect of which is to raise the natural level of waters on the other side of the boundary, unless the construction or maintenance thereof is approved by the aforesaid International Joint Commission.

Article VIII states:

In cases involving the elevation of the natural level of waters on either side of the line as the result of the construction and maintenance on the other side of remedial or protective works or dams or other obstructions in boundary waters or in waters flowing therefrom or in waters below the boundary in rivers flowing across the boundary, the commission shall require, as a condition of its approval, that suitable and adequate provision, approved by it, be made for the protection and indemnity of all interests on the other side of the line which may be injured thereby.

Then Mr. Edwards goes on to say:

I am of opinion that the plain intent of these articles of the treaty, as regards the present case—

That was the former application.

—is to require that the construction of the proposed works shall be approved by the International Joint Commission, if the said works, when constructed, would have effect to raise the natural level of waters on the United States side of the boundary; but if the construction of the proposed works would not be attended by that effect, then I am of opinion that the construction of the works may be authorized without reference to the International Joint Commission.

I am not in a position to say just what the effect of this would be; but in view of the fact that if such projects are proceeded with, the Beauharnois company will control the whole canal system in that part of the river, I am of opinion that, before this bill is passed, a thorough inquiry should be made into this application.

There is another question which I think the minister might answer. Is it the policy of the present government to allow this section of the St. Lawrence river to pass completely to private control? This is a navigable water. If this is not their policy, is this not a good time to stop any further progress in the direction of private exploitation? I know nothing about the technical problems involved, but along with many other people in this country I am alarmed at the growth of monopolies in various forms. These monopolies have increased largely because of the granting of the right to exploit the natural resources of Canada. Probably the greatest natural resource that we have left to-day is water power, and private corporations are endeavouring to obtain control of this public asset. In our opinion our water power ought to be developed for the public benefit rather than for the benefit of private corporations. In view of the scandal which surrounded the granting of the original application some years ago, I think it would be in the interests of the government itself to refer this bill to the proper committee. Then the application can be thoroughly investigated.

Mr. MARTIN: What would be the proper committee?

Mr. COLDWELL: The committee on railways, canals and telegraph lines. We could then have available the technical advice that we require in order to arrive at some opinion regarding the application. I am not an engineer and I do not know very much about engineering practice. There are probably many

other members like me in that respect, and before we are asked to vote upon this bill we should be better informed as to its implications. In any event, before the bill is passed, there should be a thorough investigation and the whole matter referred to the International Joint Commission for its approval. This is a good time for the government to prevent the extension of private monopoly in connection with our power resources.

This afternoon we were told by the leader of the opposition (Mr. Hanson) that the Beauharnois corporation is now a subsidiary of the Montreal Light, Heat and Power consolidated, which has subsidiaries all across Canada and is rapidly becoming a giant corporation controlling the very life of this nation as far as the power situation is concerned. That is not healthy. That is not good. In our opinion this bill should not be passed to enable this corporation to further fasten its grip upon the Canadian people. We should not give to this company the right to divert from our waterway system an additional amount of water which would permit them to control more than one-third of the flow of the whole river. We urge, therefore, that the government give these suggestions their consideration and that the matter be referred to the committee to be thoroughly investigated. If that suggestion is not adopted, then we urge that the matter be referred to the International Joint Commission before this concession is granted.

Mr. CASTLEDEN: Mr. Chairman, recently there was in a Toronto paper an editorial entitled "Is Beauharnois too hot to handle?" I do not know if that is the reason why there are at this time so many empty seats on the government side. I notice that there are fewer than thirty members in their seats. I rise to protest against the principle of handing over the natural resources of Canada to private corporations which are rapidly becoming monopolistic in character. We maintain that our duty here is to protect the natural wealth of Canada, which we contend belongs to the common people of Canada., and it should not be handed over to these corporations.

I find from the Annual Financial Review of July, 1939, that Montreal Light, Heat and Power Consolidated has several subsidiary companies: The Cedar Rapids Manufacturing and Power company; the Provincial Light, Heat and Power company; the Quebec-New England Hydro-Electric corporation; the Beauharnois Power corporation, and under that the Beauharnois Light, Heat and Power company; the Montreal Island Power company. I believe we should be remiss in our duty if we did not voice a protest against the giving away of these natural resources. I cannot understand why the wealth of Canada, which we maintain is the heritage of the people of this country, should be given away without remuneration. In that connection I should like to know what profits the Beauharnois company derives from these great natural resources. I should like to see the Canadian people a fifty per cent shareholder, let us say, in some of these large corporations which are deriving their wealth from our natural resources and from which the people receive mighty little in return.

Mr. HOWE: There have been so many questions, Mr. Chairman, that perhaps it would save time if I attempted to answer them briefly before we proceed with the bill section by section.

First, as to the profits of Beauharnois, I would point out that the disposal of electric energy, or of the water in the river and the energy generated from it, is a matter entirely for the province. The province owns the flow of the water and can dispose of it as it likes except when it interferes with navigation, and there the federal government has sole and paramount jurisdiction. But so long as navigation is not interfered with, the use of the water in the river is the concern of the province.

The Beauharnois Light, Heat and Power company, as has been stated, is now wholly owned by Montreal Light, Heat and Power, and the rates that it can charge for the sale of power are controlled absolutely by the electricity board of the province of Quebec. The leasehold arrangements for the water dealt with in this bill are a matter entirely for that province.

As for the use of the power, the province of Quebec has taxing power on the corporation, and if the province has not sufficient taxing power I think my colleague the Minister of Finance (Mr. Ralston) can help them out with his war profits tax. It would hardly be good business for the company to attempt to pile up undue profits for itself out of any lowering of capital cost per horse power resulting from this diversion.

Mr. HANSON (York-Sunbury): The company has been giving back its profits in reduction of rates to its customers, and it ought to get credit for that.

Mr. HOWE: Quite so, and good business would justify that practice in this particular case because otherwise they would simply be piling up profits to be taxed by the province and the dominion. The price at which power is sold in the province of Quebec is a matter

for the province, and not for the federal government.

As to the export of power to the United States, it has been the policy of this government since I have been a member of it, and I think consistently for a good many years prior to that, not to sanction the export of new power to the United States.

Mr. HANSON (York-Sunbury): Without the consent of the province.

Mr. HOWE: No new power has been exported since I have been a member of the government. My knowledge does not go beyond that, but I think for many years past no new power has been exported to the United States. Two or three years ago application was received from three separate interests to export power: the Montreal Light, Heat & Power company, the Aluminum Company of Canada, and the Ontario hydro-electric power commission, for the right to export a block of 40,000 horse power to the United States. Permission to export was refused by the government to all three interests.

In the 1938 session a bill was introduced by the government and passed by this chamber prohibiting the export of power from Canada except by act of parliament. That bill was rejected by the upper chamber. I read from the Journals of the Senate, June 29, 1938, page 361:

> The standing committee on banking and commerce to whom was referred the bill (21 from the House of Commons), intituled: "An act to amend the Electricity and Fluid Exportation Act," have in obedience to the order of reference of 5th April, 1938, examined the said bill and now beg leave to report thereon as follows:
>
> The committee recommend that the bill be not further proceeded with at the present session, circumstances having changed since its introduction in this house.
>
> All of which is respectfully submitted.
>
> F. B. Black,
> Chairman.

Then at the bottom there is this note:

> With leave of the Senate, the said report was adopted.

In other words, this House of Commons passed a bill the purpose of which was to prohibit the export of new power except by consent of the parliament of Canada, but that bill was rejected by the upper chamber.

Mr. HANSON (York-Sunbury): This house passed the bill?

Mr. HOWE: Yes.

Mr. ROWE: And it was rejected by the upper chamber?

Mr. HOWE: Yes.

Mr. LAPOINTE (Quebec East): It was a government bill, was it not?

Mr. HOWE: Yes, and it was killed over there.

Mr. LAPOINTE (Quebec East): It did not come back here.

Mr. ROWE: No.

Mr. HOWE: The question was asked, what portion of the power to be generated is intended for export? The answer is that none of it can be exported without the consent of the government, and I think the government has demonstrated fully that it is not disposed to authorize the export of new power from Canada for any purpose whatsoever.

Mr. HANSON (York-Sunbury): With the minister's permission, I think he is correct in saying that none of this power could be directly exported without the consent of the government, but as I understand it, this 150,000 horse power goes into the Montreal Light, Heat and Power pool, from which there is to-day express authority to export. So some of this power may be exportable.

Mr. HOWE: Mr. Chairman, I am looking for someone who can distinguish power after it goes into the pool; I think it would be very difficult. The only change I know of in that situation is that we had an application for permission to change the point of export for the Ontario hydro grid. The Ontario hydro grid is supplied with power from a good many sources—the Gatineau, Beauharnois, Niagara, and other points. Its transmission lines were overloaded in the Niagara area, and it was desired to change the point of export, for a part of its commitments to the United States, to Cornwall. That was granted; it was only a small block and no new export of power was involved. It is quite possible that the Cedars have an old contract extending over a good many years to export power to the Aluminum Company of America at Massena, New York; if the power is pooled, it is quite possible that some of the Cedars power will go in the Montreal area and some of the Beauharnois power will go across the line, and I am sure no one can tell which power goes across, because, of course, two sources of power feeding into the same wire are hardly distinguishable from that point on.

Mr. MacNICOL: Massena power would hardly be exported to Canada. They develop only 90,000 horse power, and in addition they buy large quantities of power.

Mr. HOWE: The Cedars export power to Massena.

Mr. MacNICOL: I know. Massena itself could not export any.

Mr. HOWE: No.

Mr. CASTLEDEN: We have a boundary waters treaty with the United States. I should like to know whether this proposed additional diversion has been submitted to the International Joint Commission for their approval.

Mr. HOWE: These are not boundary waters. The waters are wholly within Canada. My hon. friend (Mr. Coldwell), the leader of the hon. member's group, read an opinion from the Department of Justice indicating that if there were put in boundary waters any obstruction which would raise or lower the level of those waters back in the other country, the matter must be submitted to the International Joint Commission. In this diversion it is simply water passed from one lake to another, rather than changing levels. Every precaution is taken to see that levels are maintained in both lakes. However, I might say that this project, the Beauharnois canal, is an essential part of the St. Lawrence waterways development, which is an international plan. It is constantly being studied by engineers chosen by their respective governments for that purpose; and the proposed diversion and all the works connected with it have received the full study and approval of the engineers responsible for the St. Lawrence waterways development.

Mr. COLDWELL: On both sides of the line?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): Has the minister any reports which he could appropriately give to the committee?

Mr. HOWE: I should be glad to table the publications in connection with the St. Lawrence waterway which go into this matter fully. I have quite a library on the subject.

Mr. HANSON (York-Sunbury): Do they go into the question of diversion?

Mr. HOWE: I am sure they have been tabled in the past, but I should be glad to table them again.

Mr. HANSON (York-Sunbury): That is not exactly what I had in mind. What I was thinking of was any study of the effect of this proposed diversion upon navigation, and the kindred subjects to which I referred.

Mr. HOWE: I have a report from a member of my own staff, Mr. D. W. McLachlan.

Mr. HANSON (York-Sunbury): I should be glad to have that. I have great faith in him.

Mr. HOWE: Mr. McLachlan has been in charge of the St. Lawrence, for many years for the former department of railways and canals, and now, for the Department of Transport. Mr. Guy Lindsay, our hydraulic engineer, is also an expert on the matter. Both are Canadian representatives on the international board which is studying the development of the St. Lawrence. I might point out that any diversion into the Beauharnois canal, which is the canal that will be used for navigation in the St. Lawrence development, is compensated for in the flow of the river.

This bill will be supplemented by regulations which will set down certain obligations on the Beauharnois company to build compensating works. A very careful study is made to determine the effect of the diversion on water levels in that section, and compensating works are built to maintain the levels of the river.

A question was asked as to what effect this would have on the Soulanges canal. It will have no effect.

Mr. COLDWELL: Just before we leave the other point, I might have gone on and read the opinion of the deputy minister in which he says this whole matter should be referred to technical engineers and so on in order to establish whether any diversion would affect the agreement under the treaty, that is as to the water levels. The point I was making is, that report having been made, can we have it produced here in order to satisfy the members of the committee?

Mr. HOWE: I believe that such a report can be produced. It is difficult to produce specific reports on this particular subject because it is involved in a larger plan of development. Studies of the St. Lawrence have been made and agreement reached as to what compensation, for example, is necessary at certain stages of development of the work, as regards the water in this canal. The statute for the Beauharnois provides a limit on the flow of water in the Beauharnois canal. I think the limit is 2¼ feet per second. So much has been decided in an international way about this particular diversion that I cannot say what reports we have on this particular phase of the matter, but I can say that every phase of the development is a matter of international agreement and has been agreed upon by engineers responsible to their respective governments for the development.

Then comes the question as to when the Beauharnois ship channel will be put in operation. Navigation from Montreal harbour to Prescott is maintained at a 14-foot level, and very large expenditures are required both in the international section, above the Beauharnois development, and in the Lachine section below the Beauharnois development,

before the 27-foot depth of navigation will be obtained. As I say, the development proposed in this bill does not in any way affect 14-foot navigation in the Soulanges section or any other section of the river. At such time as 27-foot navigation is a feasibility, we have a power canal some sixteen miles long, I think it is, developed at the cost of the Beauharnois company, which would otherwise have been required to be developed at the expense of the federal government, at least as far as the government's responsibility for navigation is concerned.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. HOWE: At the request of the hon. leader of the opposition I table the report on the application of the Beauharnois Light, Heat and Power company under the Navigable Waters Protection Act for approval of plans to divert 40,000 cubic feet per second from lake St. Francis to lake St. Louis and from the St. Lawrence river via the south shore. This report was made by an interdepartmental committee of federal government engineers. It gives data on the effect of diversion of various amounts of water.

I also table a plan dated May 8, 1935, showing the development of the St. Lawrence at the present time.

I also table a plan dated January 8, 1940, showing the navigation features of the canal, with the future locks that will be built when needed for navigation and the development required for the 83,000 cubic feet per second diversion contemplated by this bill.

Mr. CASTLEDEN: Would the diversion of this water affect the locks already there, render them obsolete?

Mr. HOWE: Nothing that is there will be changed in any way. Compensation works will be built in the river to take care of the proposed diversion through the canal so that the level of the water at the head of the Soulanges canal locks will be exactly the same after the diversion as it is at present. The water levels from there down are of course controlled by the locks themselves. There will be no change whatever in the navigation feature of the river by the 14-foot canal system now in operation.

Mr. NICHOLSON: While I understand we are concerned chiefly with the navigation aspect, could the minister state the amount of power developed as the scheme now stands and the amount that will be developed with the additional quantity of water?

Mr. HOWE: The present amount developed is 450,000 horse-power, and the additional diversion will generate an additional 250,000 horse-power.

The CHAIRMAN: Shall the section carry?

Mr. HANSON (York-Sunbury): I do not think the minister has completely covered the situation as set forth by myself. There are several considerations to which he has not adverted at all.

Mr. HOWE: I shall be glad to continue. My notes are a little disorganized.

Mr. HANSON (York-Sunbury): This is a very short bill, just one clause and the preamble. If it goes through now, there will not be another opportunity to get the information for which I have asked. Besides, the minister has now tabled something which I think we should have had before; that is the report. I have not been able even to look at the outside of it yet. I would ask the minister if he would be content to have the committee rise, report progress and ask leave to sit again the first of next week. Meantime, perhaps I shall have an opportunity to look into this application.

Mr. HOWE: Before doing so, perhaps I could continue and cover the points that have been raised, and then I shall be glad to comply with the request of my hon. friend.

Mr. HANSON (York-Sunbury): Just in a cursory way.

Mr. HOWE: When the committee rose at six o'clock I think I was discussing the regulation of the water and the compensation works. In addition to the bill, certain regulations will be set up by the Department of Transport with regard to compensation works. Studies have already been made, and the department have determined the requirements in that regard.

Mr. HANSON (York-Sunbury): That would be under the statute?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): Could the minister tell us what they consist of?

Mr. HOWE: They consist of dams set in the rapids to cut off the flow of water down the river, to compensate for the flow of water through the canal. In other words, the area of flow down the river will be reduced to compensate for the diversion.

The question was asked as to when the Beauharnois ship channel will be in operation. The Beauharnois ship channel is part of the 27-foot navigation in the St. Lawrence river and would obviously be of no value until the

international section and also the Lachine section below the canal are improved for 27-foot navigation. All that requires to be done to complete the navigation feature of the Beauharnois canal is to build flight locks alongside the power-house at the lower end of the canal. Speaking from memory, I believe the estimates of the St. Lawrence development provided for twin flight locks estimated to cost $14,000,000. As these are purely a navigation feature, their cost will be for the federal government account.

In the matter of the Chicago diversion, I think the hon. member for Davenport (Mr. MacNicol) was approximately correct in his figures. The diversion at present for dilution has been brought down to the amount set in the judgment of the Supreme Court of the United States, that is to 1,500 cubic feet per second. In addition to that, the court permitted Chicago to divert water required for domestic and sanitary purposes. I had understood that the figure on that was about 1,500 cubic feet per second. The hon. member for Davenport I think stated that the actual figure was more like 2,500.

Mr. MacNICOL: Two thousand, to be correct.

Mr. HOWE: Yes. So while the judgment of the court, as we interpreted it, contemplated a diversion of about 3,000 cubic feet per second, the actual diversion is about 3,500 cubic feet per second. I do not think Canada can complain particularly about the way in which the diversion at Chicago has been handled. We can hardly begrudge Chicago an ample amount of water for its sanitary and domestic purposes.

The question was asked whether the government proposes to abandon navigation in that section. The government takes the view that the only real navigation to-day, as for several years past, is navigation through the Soulanges canal, which was provided for the passage of lake carriers past that section of the river. As I have stated previously, navigation in the Soulanges canal will not be affected in any way. For years the only navigation in the river itself has been the down trip of the *Rapids Queen*, a tourist boat that was able to carry passengers downstream from Prescott to Montreal, returning upstream by way of the St. Lawrence canals. To the best of my knowledge and belief that boat has not been operating on regular schedule for some time past, and the government believes that no public interest will suffer greatly if the boat does not operate in future.

A question was asked as to what effect a further diversion of 30,000 cubic feet per second would have at the Cedars and St. Timothy.

The answer is that it will have no effect whatever, on account of the fact that any water taken from the channel itself will be compensated for through the construction of dams, so the present water levels will be maintained and the present flow to the power canals at both these developments will be fully protected.

Mr. DOUGLAS (Weyburn): Did I understand the minister to say that the diversion of this water would mean an expenditure of $11,000,000 in order to maintain navigation facilities?

Mr. HOWE: Not at all. As I have said, the government is under no obligation whatever as far as maintaining the status quo of navigation is concerned. We have 14-foot navigation through that section in the Soulanges canal, and we shall continue to have it after this diversion takes place. Compensating works to protect the levels will be built at the expense of the Beauharnois company, under our supervision.

Mr. DOUGLAS (Weyburn): Not by the government?

Mr. HOWE: No; the government is under no financial obligation whatever. As far as 27-foot navigation is concerned, at the moment we have benefited to the extent of $12,000,000 by having the canal provided without cost to the government; and instead of being faced with an expenditure of some $38,000,000 for a navigation canal with locks, we are faced only with the cost of the locks themselves and other facilities, which I believe is estimated to be about $26,000,000. In other words, we are about twelve million dollars to the good, as far as 27-foot navigation is concerned, as a result of this development.

Mr. HANSON (York-Sunbury): You are to the good to the extent of the cost of the canal, anyway.

Mr. HOWE: I think the figure mentioned by my hon. friend is approximately correct. I believe the figure mentioned in the company's original application was $16,000,000. It was stated here that the canal was built for the full flow of the river. That is not entirely true. The banks themselves that were built above the land level were built wide enough so that it would be possible to excavate between them to take the full flow of the river ultimately, but of course that excavation has not been made. In connection with the present development additional excavation will be required, to widen the usable part of the canal to take the additional flow through the canal.

Mr. STIRLING: For the whole length of it?

Mr. HOWE: Yes.

Mr. MacNICOL: And the government will not have to pay anything in future if and when the full flow of the river is turned into the canal? The excavation at that time, to take care of the full flow, will have to be carried on by the Beauharnois company?

Mr. HOWE: Yes. The government is under no obligation whatever to spend any public money in developing this project, either now or in the future.

Mr. NICHOLSON: Do I understand that the entire cost of constructing the present canal was borne by the Beauharnois company?

Mr. HOWE: That is correct.

Mr. HANSON (York-Sunbury): I asked the minister one question which evidently escaped his notes. In the course of my remarks I asked: What is the potential gross power development at Beauharnois? What is it susceptible and capable of being? Is it not sufficient, if fully utilized, to render completely unnecessary any further plans for the St. Lawrence waterway, considered as a power project?

Mr. HOWE: The total flow of the river, when diverted through the canal, will amount to 240,000 cubic second feet, which would develop 1,920,000 horse-power at that location. How long that would meet the needs of that district of course none of us can estimate, since the consumption of power seems to rise very rapidly. At the end of this development some 700,000 horse-power will be developed, and after that it will be possible to develop a further 1,200,000 horse-power less the output of other plants.

Mr. HANSON (York-Sunbury): Are those figures from the reports of the minister's engineers, or are they the company's figures? I had an idea that the full flow would develop something in excess of that horse-power.

Mr. HOWE: I obtained this information from my own engineers this afternoon, and I might add that all the data and figures I have used have been supplied by the department's own engineers, who I think are more familiar with the river and have done more work on it than any other engineers.

Mr. JOHNSTON (Bow River): How long would it take to complete all this work? How long would it be before they could start generating this additional power?

Mr. HOWE: Fifty thousand horse-power is immediately available. The machines are there and could be used at once.

Mr. JOHNSTON (Bow River): Without any further time extension at all?

Mr. HOWE: By putting through the additional water, as I understand it, those two machines can be brought into production. They are stand-by machines, capable of being used with the others, but of course that would leave the plant without a stand-by.

Mr. JOHNSTON (Bow River): That would not be sufficient to meet their total requirements?

Mr. HOWE: No. Fifty thousand horse-power is not a great addition. For instance, we have a plant for the production of explosives that we wish to start as soon as we can be sure of power, and that plant alone would require 12,000 horse-power.

Mr. JOHNSTON (Bow River): Then how long would it take to build up this equipment to the point where you could get 200,000 horse-power?

Mr. HOWE: Perhaps it will take two years before the full 250,000 horse power will be produced, depending on deliveries of equipment. It is my understanding, however, that the power will be progressively increased as the equipment is delivered and as improvements to the channel are proceeded with. It is my information, both from my own engineers and from the company, that the 250,000 horse power will be in full operation within two years of the passage of the bill.

Mr. JOHNSTON (Bow River): It would not be very useful for immediate war purposes, would it?

Mr. HOWE: We are in the fortunate position of having 50,000 horse power that can be turned on immediately. That is a fair-sized block of power, in itself. And as additional units are installed and completed, they can be turned on immediately. In my opinion this is the most readily available source of additional power we have in Canada.

Mr. MacNICOL: If that additional horse power is developed at once, it would mean that there will be no stand-by turbines to operate in the event of any of them being out of commission.

Mr. HOWE: Correct.

Mr. ROSS (St. Paul's): What will be the extra cost of the development of this 250,000 horse power? What extra amount of money would have to be put into it?

Mr. HOWE: I am sure I do not know. The matter of cost is entirely that of the Beauharnois company, and we have not interested ourselves in that phase of the matter particularly. We pay no part of it.

Mr. ROSS (St. Paul's): Through the development of this 250,000 horse power would there be a reduction in power rates to users? Certainly this development could be done very cheaply, in comparison with the development which has already taken place? Is there any safeguard stipulating that the people of Canada will get power more cheaply?

Mr. HOWE: As I said earlier, the production and sale of power are entirely under the control of the province of Quebec. That province has its own electricity board, and I feel certain that the company, as lessees of the province, will be controlled to the extent required to protect the interests of the power users.

Mr. ROSS (St. Paul's): Is the power house now erected sufficiently large to take care of the installation of the new equipment necessary to develop the 250,000 horse power?

Mr. HOWE: I stated before the hour of adjournment that I was not sure, but I have since ascertained that it is not. An expansion of the power house will be required. However, there are units installed as present standby units which are immediately capable of producing 50,000 horse power.

Mr. HANSON (York-Sunbury): The minister takes the stand that the question of rates is outside his jurisdiction. It is a pity that this is so. I am inclined to agree with him, from the legal point of view. This company will get the whole flow of water of the St. Lawrence river; certainly it is going to be a bonanza to the Montreal Light, Heat and Power company.

Mr. HOWE: As I said before, both governments have taxing power. If it is a bonanza this year, it will be a bonanza for my colleague the Minister of Finance as well, because practically all the additional profit will flow into his coffers under the present system of taxation.

Mr. HANSON (York-Sunbury): I suggest to the minister that he is taking a very narrow point of view. What about the poor public? Surely they have some rights. I have had something to do with power in days gone by. In fact at the present time I am in the throes of a power controversy in my own office. I have often wondered if those of us in authority, either in parliament or in our provincial legislatures, adequately take care of the rights of the man who has to pay the bill. I do not think we always do. That is all I have to say in the matter.

Mr. ROSS (St. Paul's): One or two further points run through my mind. In Ontario there are two or three points at which further power could be developed. There could be a possible extension at Niagara falls. There are possibilities on the Ottawa river, and there is the further possibility of development in the international section of the St. Lawrence river development, if it ever takes place.

Coming from Ontario, I am particularly interested in any increase in the development of power at Beauharnois. There is the possibility there of a development of about 2,000,000 horse power. Although it is in the province of Quebec, it is quite likely that that province cannot take all the power in the meantime. We are in the midst of a war, and it will be some time before we can make heavy capital expenditures. I am particularly interested in seeing that in any future development which takes place at Beauharnois the people of the country may receive the benefits flowing therefrom. Through this measure we are giving away certain rights to the Beauharnois company, and it seems to me that before we give up the use of this water to the Montreal, Light, Heat and Power company, the government should take steps to protect the people of Canada against any exploitation or any attempt to monopolize power. Although the development would be in the province of Quebec, yet it seems to me the province of Ontario must be vitally interested in any water diversion under the control of the dominion government.

Mr. HANSON (York-Sunbury): You have Mitch to protect it.

Mr. HOWE: Would my hon. friend permit me to ask him a question? I am wondering how the Ontario hydro-electric power commission would like the idea of our attaching conditions to the cost of power in connection with developments we lease to them. We do lease developments to the Ontario hydro. Does my hon. friend think it would be a wise thing to attach conditions?

Mr. ROSS (St. Paul's): I do not think the minister's answer is sufficient at all. I am stating what I think should be done; I do not know whether the province of Ontario would like it. I would say, however, that if the dominion government has it within its power to give cheaper power to the people of Canada, then it should exercise its rights.

Mr. HOWE: My hon. friend has hit on the exact point, namely that we have not the power to place restrictions on it. The power inside a province belongs to that province. The navigation belongs to the dominion, and is a paramount right over the power. But the jurisdiction of the dominion government ends in either granting or not granting the diversion of water for power purposes.

Mr. DOUGLAS (Weyburn): But you could attach a proviso when water is diverted.

Mr. HOWE: I would not answer that without the advice of counsel. It may be that we could, but in my opinion we would be usurping a right that is not ours.

Mr. HANSON (York-Sunbury): The true position is that in respect of power the jurisdiction to control rates is not in this government at all, but rather in the government of the province of Quebec. That may be unfortunate, but it is so.

With respect to the question the minister directed to the hon. member for St. Paul's, may I suggest this, that if in one of its developments this government produces power which it owns and which it can dispose of, by reason of having the development as a public work of Canada, and if it sells that power to the Ontario hydro-electric or to any other power consumer, whether for immediate and direct use or for resale—as in the case of hydro—it would be a proper thing for this government in making a lease of that power to put in some provision or to retain some control over the rates to be charged the public, always having regard to competitive conditions obtaining, and all other factors which might enter into such a situation. I do not believe the dominion government has done that in the past, and I think it is something it might consider doing in the future.

Mr. MacINNIS: Mr. Chairman, I take the same position in regard to this bill as was taken this afternoon by the hon. member for Rosetown-Biggar (Mr. Coldwell). I am opposed to the principle of the bill. I am opposed to handing over the public domain to private individuals or corporations to be used for the purpose of exploiting the people of this country. That is what the power companies have done with the privileges we have given them. A moment ago the minister told us that the government had no power to do certain things. The explanatory notes to the bill say this:

> By chapter 20 of the statutes of Canada, 1931, the canal then being constructed by Beauharnois Light, Heat and Power Company, and the works appurtenant thereto, were declared to be works for the general advantage of Canada, and the governor in council was authorized to make any orders, rules and regulations which might be deemed necessary or convenient with respect to any diversion of waters of the St. Lawrence river by said company.

As far as I have been able to find out, the only advantage Canada ever got out of this project was the privilege of guaranteeing the bonds that were used to complete the work begun in 1929.

Mr. HOWE: I may say that the government guaranteed no bonds.

Mr. MacINNIS: I believe they guaranteed the bankers against losses in that regard. I am not quite sure, but I think that was the case.

Mr. HANSON (York-Sunbury): The government guaranteed the interim financing as between one financing and the other.

Mr. MacINNIS: I think the government did undertake certain financial obligations in that regard. Further down in the explanatory notes I find this:

> The nature of this power development will enable additional power to be made available within a relatively short time, and it is considered desirable that steps be taken to ensure an adequate supply of power to meet increased demands arising from the war.

Instead of giving private corporations further rights and privileges at this time, I think we should follow the policy adopted by the governments of Great Britain and New Zealand. The government should take over these works. We are supposed to be fighting for certain things worth fighting for. We are supposed to be fighting for our country, and yet we are continually handing over to private individuals everything of value in the country. If we want to show people that we are sincere in what we are saying, the first step we should take is to put an end to that sort of thing. I remember a statement made by a former Prime Minister during the debate on another bill. During the session of 1932 the Right Hon. R. B. Bennett made this statement:

> I believe that there is no government in Canada that does not regret to-day that it has parted with some of these natural resources for considerations wholly inadequate and on terms that do not reflect the principle under which the crown holds the natural resources in trust for all the people.

It is time that the government should realize that they are administering the natural resources of the country for the people. In so far as what has occurred in the past is concerned, it would seem that the common people have no rights at all.

I should like to refer to another matter. A few evenings ago the hon. member for Weyburn (Mr. Douglas) asked the Minister of Munitions and Supply (Mr. Howe) if government contracts had been given to corporations controlled by those leaders of industry who had offered their services to the government. The minister would not give an undertaking that such was not the case. The name of Mr. Henry was mentioned this afternoon.

Mr. HOWE: I think we are all agreed that we do not want to sabotage Canada's war

effort. Mr. Henry is a most valuable man and I wish I had half a dozen more like him. If I had, my efforts on behalf of munitions and supply would have better results. Mr. Henry is one of the most highly respected engineers in the Dominion of Canada, a man with a unique experience. Is it good business to slander the reputation of a gentleman who is doing extremely valuable work for this government?

Mr. DOUGLAS (Weyburn): Nothing of a slanderous nature has been said.

Mr. MacINNIS: I take strong exception to the statement of the minister that because we criticize certain things or because we mention certain names, we are sabotaging the government's war effort. That is unjust; that is unfair, and it is not necessary on this occasion. If the minister has a clear conscience in regard to the matter, he can stand whatever may be said.

Mr. HOWE: I can stand whatever my hon. friend says. Go right ahead.

Mr. MacINNIS: I would advise the minister to go slowly. I would save him and his government from another trip into the "valley of humiliation." We have been watching things in this corner. All we are asking is that there should be a complete investigation by a committee before which competent witnesses could appear so that we could get an understanding of all that is involved. I was just going to tell the committee that this is the Mr. Henry who was referred to in a report which was supported by hon. gentlemen on the other side. This was a unanimous report.

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order. It was not a unanimous report. I demurred.

Mr. DOUGLAS (Weyburn): That still makes it unanimous.

Mr. MacINNIS: That report had this to say:

> It is worthy of note that the three orders in council numbered respectively 2201, 2202 and 2203, approving of the transfer of the leases from the Montreal Cotton Company all dated the 6th November, 1929, each contain the following:—
>
> "The minister, on the advice of the chief engineer of the department, concurred in by the deputy minister, recommend that authority be given"—

And so forth.

Mr. Henry was deputy minister at that time and continued in that position for some time afterwards. All this came out in the investigation. I suggest to the minister that before he proceeds further with this bill, he give hon. members an opportunity to have all relevant facts.

[Mr. Howe.]

Mr. STIRLING: I understand that before recess the minister stated that no portion of the 150,000 horse power developed from the existing flow is exported, but I did not understand him to be specific with regard to the second part of the question asked, whether any portion of the 250,000 horse power which will be created by the diversion mentioned in this bill, is or is not to be exported. Could he clear that up?

Mr. HOWE: I can say definitely that as long as this government is in office, no portion of that will be permitted to be exported. There was a slump in the use of power during the depression, as my hon. friend knows, in 1933, 1934, 1935 and subsequently, and there were applications for the export of power, but they were consistently refused even in those times. I think that no government in Canada to-day would permit the export of new blocks of power. I think public opinion is definitely against it. I know that this government is definitely against it, and I think that any government sitting on the treasury benches here would also be against it.

Mr. DOUGLAS (Weyburn): A few moments ago I asked if it would not be possible to have a proviso added when granting a permit to divert water, and the minister said he did not know if that would be possible. But in section 1 the Beauharnois Light, Heat and Power company are asking power to divert water, and in line 10 the section says:

> . . . to be used for the development of hydro-electric power . . . in such manner . . . as may be prescribed by order of the governor in council.

So it would seem that under the government's authority there are terms and conditions that could be imposed upon any company that is being granted a permit to divert water in this way.

Mr. HOWE: These provisoes depend upon the way in which the water is handled; that is to say, compensating works, the safety of the canal banks, all of which affect navigation, and the physical handling of the water. We can prescribe as much as we like, but we must remember that we do not own the water itself and that the power rights are the sole concern of the province. But I have seen no indication that the province of Quebec is not just as jealous of the rights of its citizens as we would be or as any other province would be. When we are giving over a valuable asset, divesting the public resources, to private gain, to use the words of hon. members opposite we have to take a realistic view of the situation. Without going into the history of why the development is there, it has been built up at a tremendous initial cost; and if the

potential power of the river is now a valuable asset to the well-being of the people, there is only one practical way in which it can be used for the benefit of power consumers in that area, that is by sending the water down that canal. The government would hardly be justified in going to the expense of building another power canal, and the only alternative would be for the government to expropriate and pay for the present work. I am afraid that my colleague the Minister of Finance would hardly rejoice over that proposal in war time, even if we had the privilege of selling power in the province of Quebec, which we have not. Nor do I think the province of Quebec is to-day in a position to take that step either, but they can always do so in future if they deem it wise.

Mr. DOUGLAS (Weyburn): Under the stress of war Great Britain is doing something very close to it at this moment.

Mr. HOWE: Great Britain is in a very different position. There is only one government there for all purposes.

Mr. DOUGLAS (Weyburn): Has any work been done by the company in anticipation of this permit being granted to divert water?

Mr. HOWE: I am told that there is a dredge at work, although I do not know whether it is in anticipation of this or not, but some dredging is done there every year.

Mr. DOUGLAS (Weyburn): Any construction?

Mr. HOWE: No.

Mr. CASTLEDEN: Are these water power rights not both exclusive and perpetual?

Mr. HOWE: I am not sure what the Quebec lease says. We give the company power to divert water, and once it is diverted we have no power to recall it. I am not aware what the terms of the lease are for the use of the water.

Mr. HANSON (York-Sunbury): To clarify the matter, perhaps I might say that when the canal was vested in his majesty in the right of the dominion, we gave to the Beauharnois company an exclusive easement for the use of the canal for power purposes. In Quebec they call it a servitude. In addition, the company acquired rights from the province of Quebec. The effect of it is that nobody else can use that water.

Section agreed to.

Bill reported.

95826—27½

TRANS-CANADA AIR LINES

EXTENSION FOR ONE YEAR OF INITIAL SUBSIDY PERIOD DESCRIBED IN ACT

Hon. C. D. HOWE (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to amend the Trans-Canada Air Lines Act, 1937, to extend for one year the initial period described in the said act.

Motion agreed to and the house went into committee, Mr. Fournier (Hull) in the chair,

Mr. HOWE: Mr. Chairman, this is a simple amendment to the Trans-Canada Air Lines Act. The act provides that the rates to be charged for the carriage of mail will be set automatically in January of each year, based upon the experience of the previous year. At the start, a rate of 60 cents a mile for the carriage of mail was adopted, with the proviso that until January, 1940, the government would bear any deficit arising out of the operation of the line. The belief in which the bill was framed was that by January, 1940, we would have had one full year of experience with the Trans-Canada Air Lines, and that we would have struck an operating rate in 1939 which could have been applied to 1940. It turned out that 1939 was not a typical operating year; for, instead of getting a full year of operation, we commenced to carry revenue mail only on March 1, and passengers on April 1. We also did not open in that year the full service that we had originally intended. The maritime extension was opened only this year, and we have yet to open the extension from Toronto to western Ontario. Therefore 1939 is not a typical year. If we followed the act strictly, the rate for carrying mail would automatically increase from 60 cents to slightly over 70 cents, whereas we know very well from operating results that a proper rate for this year would be less than 60 cents. We feel certain that the automatic application of the rate a year from now will bring the rate per mile down considerably below that figure. The amendment proposed will make it possible to continue the 60 cent rate for 1940, and defer the automatic application of a new rate until January, 1941. That is its only purpose.

Mr. HANSON (York-Sunbury): I have not read the statute. Does the minister say that the only object of the bill is to extend for one full year, a typical year, the rate charged for mail on the system?

Mr. HOWE: That is the only change in the bill.

Mr. CRERAR: The resolution states that it is an extension for one year.

Mr. HANSON (York-Sunbury): At some stage—this may or may not be the appropriate place; perhaps it is just as good as any other—would the minister tell the committee what feeder lines have been established on the Trans-Canada airways?

Mr. HOWE: The position of Trans-Canada Air Lines to-day is that it operates a service from Vancouver on the west to Montreal. At the present time there are two services daily over that distance; and the service also connects into Toronto, so that we can say that Vancouver, Toronto and Montreal are connected with two services daily. The Trans-Canada also operates its own service from Lethbridge to Edmonton, and from Montreal to Moncton, New Brunswick. It has made arrangements with private operators for a service connecting Vancouver and Victoria, operating, I believe, three times daily. It has arrangements with Prairie Airways for the operation of a service from Regina to Saskatoon, to Prince Albert, to Battleford, and to Moose Jaw and Regina, a loop service operating daily. It also has arrangements with private firms to operate services from Moncton to Charlottetown and Summerside, from Moncton to Halifax, and from Moncton to Saint John. I think that is the present position.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 23, to amend the Trans-Canada Air Lines Act, 1937.

Motion agreed to and bill read the first time.

YUKON ACT AMENDMENT

VALIDATION OF YUKON FUR EXPORT TAX ORDINANCE ACT ASSENTED TO MAY 20, 1919

The house resumed from Tuesday, May 28, consideration in committee of Bill No. 11, to amend the Yukon Act—Mr. Crerar—Mr. Fournier (Hull) in the chair.

On section 2—Coming into force. Retroactive.

Mr. CRERAR: When this bill was before the committee a few days ago, the question was raised by the hon. member for Yukon (Mr. Black) that some litigation was pending under the provisions of this act regarding the tax on the export of furs.

Mr. HANSON (York-Sunbury): Under the Yukon ordinance.

Mr. CRERAR: Under the Yukon ordinance. I stand corrected by the leader of the opposition, and I thank him. We have no record in the department of any litigation under the act. It is possible that there is some litigation under a game ordinance of the Yukon territory. However, in order to make certain beyond any question of doubt, I wish to present an amendment which my colleague the Minister of Finance will propose.

Mr. RALSTON moved:

That section 2 be struck out and the following substituted therefor:—

"2. The provisions of section one of this act shall be deemed to have come into operation on the nineteenth day of May, 1919, but so as not to defeat, disturb, invalidate, or affect any penalty, forfeiture or liability, civil or criminal, incurred before the time of its enactment or any proceedings for enforcing the same had, done, completed or pending at the time of such enactment."

Mr. BLACK (Yukon): The amendment as suggested by the minister has exactly the same effect as the amendment I proposed, and I am quite content to see it go through.

Mr. CRERAR: I might just say that, being Scottish and therefore rather cautious—

Mr. MacNICOL: I am glad the minister didn't add, "and tight."

An hon. MEMBER: Not on Friday night.

Mr. CRERAR: —in order to be very certain I submitted the question to the law officers of the crown, and the amendment that I have just read is the one they suggest.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—UNDERTAKINGS IN GENERAL INTEREST AND FINANCIAL ASSISTANCE TO PROVINCES

Hon. N. A. McLARTY (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress out of moneys appropriated by parliament, and for such purpose to supplement the measures taken by the provinces towards providing assistance to those in need, establishing unemployed persons in employment and training and fitting suitable persons for productive occupations, and also to provide financial assistance to the provinces by way of loan, advance or guarantees out of unappropriated moneys in the consolidated revenue fund, and for the appointment of necessary officers, clerks and employees.

Motion agreed to and the house went into committee, Mr. Fournier (Hull) in the chair.

Mr. McLARTY: As this bill merely re-enacts the Unemployment and Agricultural Assistance Act of 1939 which, on account of its duration for only one year, expiring at the end of each fiscal year, must be reenacted each year, I trust that to-night I shall not have to give any lengthy statement concerning it. I would suggest, with the permission of the committee, that perhaps any debate upon it might well take place on the second reading of the bill. I say that for two reasons. In the first place, while the bill is a reenactment, there are certain amendments which I shall endeavour to outline. In the second place I am advised that the report of the commissioner under the 1939 act will be tabled on Monday and will give a more complete explanation of what has been done than any explanation I could possibly give this evening.

There are three amendments to the act, all predicated and based upon the altered conditions arising by reason of this country being at war. There is a change in the preamble, the only effect of that change being to direct our effort under the act in the coming year to developing our economy and fitting it more for war.

There is an amendment by the elimination of what was section 3 of the act of 1939. Broadly, that section provided that the dominion itself would undertake works and projects in connection with the relief of unemployment and the promotion of employment. It was felt that owing to the wide activity that is taking place as a result of the unfortunate circumstances in which we find ourselves to-day, it would be unnecessary for this government to take measures under that particular section. But if works become of vital necessity and it is apparent that they are so, they can still be initiated by means of an estimate which would require presentation to this house. In other words, the control of this house in connection with unemployment projects which may be taken up by the dominion alone is broadened.

A third amendment is that to section 5 of the act of 1939. That section provides that the dominion may lend to the provinces that share which the provinces themselves are required to pay under any agreement entered into under section 4 of the former act. It is thought that under existing circumstances, bearing in mind the wide obligations that the dominion is carrying in other ways, it would be only fair and reasonable to make sure that any such advances are more or less restricted, to the extent that the undertaking must be clearly in the national interest.

Those are the only three amendments, subject of course to the necessary change of dates. I would suggest, if it meets with the approval of this committee, that if debate is to ensue, it might be well if that debate could take place on second reading of the bill, when hon. members have the advantage of seeing the precise wording of the amendments and also seeing the report of the commissioner on unemployment and agricultural assistance which I shall be glad to lay on the table on Monday next.

Mr. HANSON (York-Sunbury): I am not at all impressed with the reasons given by the minister why this resolution should be advanced to the stage he has indicated to-night. To me the very fact that the report of the commissioner has not been tabled and is not in the hands of hon. members is a substantial reason why this resolution should not be proceeded with until we have had an opportunity of seeing the report and reading and digesting it. This is an important matter, even in war time. I recall some debates I have heard in this house on the question of unemployment relief in days gone by, and the hammering that hon. gentlemen opposite gave to us between 1930 and 1935 over this vexed question. I recall too that notwithstanding all that was said by hon. gentlemen while in opposition, when they came into power they hardly altered in any degree at all the policy dealing with this difficult matter.

The government have had substantial co-operation from the official opposition with respect to their many bills. We have put through this week important resolutions and bills, including the war appropriation bill and the loan bill. This house has accomplished in one week's time more in the way of advancing important legislation I suppose than ever occurred in the history of parliament, save and except perhaps during other war sessions. And this is an important matter. I have not been able to give any study to it, and I think the minister ought not to proceed with this resolution to-night or until we have had an opportunity to study their record for the past year.

In addition, may I point out that in the report of the royal commission on dominion-provincial relations, there are specific references to this very question, which references ought to receive some consideration in this connection. I have not been able to read the recommendations of the commission with respect to unemployment relief, and I doubt whether many hon. members have read them. Therefore I think the minister ought not to press this resolution at this time. I suggest that the government have made substantial progress. This is an extremely important matter, and I believe more time should be given hon. members to study the question,

in view of the fact that the report to which the minister has referred, and which we hope will be an illuminating one, will be laid on the table so that hon. gentlemen may have an opportunity of studying it.

I know the desire of the government to expedite their legislative programme. Now that we have got rid of some of the bile that has accumulated as a result of the election and the sporadic political warfare that has taken place recently, I say to the government that we on this side of the house are prepared to cooperate in putting through the programme in an orderly and decent way. But we must not abrogate our function as an opposition. That function is neither to obstruct nor to throw ourselves into the arms of the government and say we will pass anything and everything they want to pass, but rather to study each question on its merits and contribute what we may, having regard to our ability to make a contribution.

That is what I believe we should do at this time. I could elaborate on that at much greater length, but I do not think I need do so. With respect to the war effort, let me repeat what I said a while ago, that so far as money is concerned, so far as the granting of supply for war effort is concerned, the official opposition will support the government in any and every measure it may lay before parliament and ask to have enacted into law. We believe the Canadian people are anxious to support the government's war effort if the government will but give the proper lead, and we are prepared to support any and every measure leading to the winning of the war, so far as money is concerned. Every other power the government may require for its war effort is already vested in it under the War Measures Act. There are, of course, certain other collateral matters arising out of the war effort, such as aid to certain basic industries in this country: wheat, apples, dairy products, and I should like to include our fishermen and our potato farmers. These must be considered, and perhaps the government may take some action by way of legislation and financial assistance. These we should like to examine in the light of the information given us.

I would ask the minister not to press this unemployment relief measure to-night. I do not think it would be quite fair to do so until we have the commissioner's report. So I am going to ask the minister to be good enough to report progress on this resolution at least until we have seen the report.

Mr. McLARTY: I do not wish to embarrass the leader of the opposition in the least. Naturally I am anxious to have this legislation move forward as quickly as possible, because of the fact that we have several commitments which must be met. I believe the resolution has been on the order paper since parliament opened.

Mr. HANSON (York-Sunbury): Since May 21.

Mr. McLARTY: At any rate it has been on the order paper for some time. I am not going to press the matter, in view of what the hon. gentleman has said, although probably there is no point that could be brought up on this resolution that could not be debated upon the second reading of the bill, and that would include the reference of the dominion-provincial commission to the matter of unemployment and direct relief. However, if the leader of the opposition feels that he has been placed in an embarrassing position by our proceeding with this resolution to-night; if he feels that there is something he would like to say on the resolution that he cannot say on the second reading of the bill, in view of the cooperation he has shown I think it only fair that we show an equal measure of cooperation. So I would ask that the committee rise, report progress and ask leave to sit again.

Mr. HANSON (York-Sunbury): Thank you.

Progress reported.

SEEDS ACT

MEASURE TO EMPOWER THE MINISTER TO PRESCRIBE FEES FOR SEED CONTROL SERVICES

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 19, to amend the Seeds Act, 1937.

Motion agreed, bill read the second time and the house went into committee thereon, Mr. Fournier (Hull) in the chair.

On section 1—Regulations.

Mr. STIRLING: I wonder if the minister would explain to what extent the revenue he anticipates will provide the services.

Mr. GARDINER: I do not expect that the revenue will provide a very great part of the cost of the service. I am not in a position to estimate just to what extent it will cover that cost, but possibly this amendment will have the effect of considerably cutting down the expense to which the department is now put. At the present time the act provides that tests of seed will be made by the department, and up to the present these tests have been made free of charge. In the beginning the intention was that these tests should be made in order to give certificates to those growing registered seed, but the practice has developed of farmers sending in for test

samples that could be easily tested by the farmers themselves. It is a very simple operation, consisting of placing seeds between blotters, keeping them properly moistened and then counting the results, but the farmers have begun to follow the practice of sending these seeds to the department to have the tests made. It is considered that a very heavy expense has been added in connection with this practice and that the imposition of a small fee will tend to decrease the number of applications and also help defray the cost to the department.

Mr. STIRLING: What sum of money is involved in the transaction at present, and does the minister expect it will be considerably increased?

Mr. GARDINER: I doubt if I have that information before me at the moment.

Mr. QUELCH: Does this not also apply to inspection for purity as well as for germination?

Mr. GARDINER: No; this inspection is largely for germination. It is covered by this particular section.

Mr. QUELCH: The minister says "largely," but not "altogether."

Mr. GARDINER: No, not altogether, in so far as certificates are concerned.

Mr. QUELCH: In so far as that is concerned, the farmer cannot do the testing himself; he has to send a sample to the department to have it tested.

Mr. GARDINER: In all those cases referred to, a sample will still come in, but in other cases it is not necessary to send one in. In cases of tests being made for germination, samples will not be sent in to the department in anything like the number of instances that there have been in the past.

Mr. DOUGLAS (Weyburn): What do those services cost the government a year?

Mr. GARDINER: I have not that information at present, but I can give it when the estimates are before the committee of supply.

Mr. DOUGLAS (Weyburn): It seems to me that the minister's own statement rather damns the bill, when he says it will rather considerably decrease the number of people using this service. The minister is one of the men, along with many others in Saskatchewan and other parts of western Canada who have tried to encourage farmers to have seed tested, so that they may get into better grades of seed. I should think the government would be anxious to expand this service, rather than to see it contracted. If the charging of a fee is going to have the latter effect, as the minister just said, then surely that would not be for the good of agriculture. If the amount of money which will come in is not very great, and is not going to reduce the government's expense to any appreciable extent, surely the harm of charging this fee is going to offset any good it may do.

Mr. GARDINER: I do not think there will be any great harm done. As a matter of fact, I do not think any harm will be done. Those who have been associated with this kind of work will realize it is a very simple thing to test seed for germination. The department will still give instructions to anyone who does not know how to test the seed. Not only will it save the work that has to be done in the department itself, or in other places under the department's direction, but it will also save the cost of sending seed and having it sent back again, where it is necessary to send it back, throughout the length and breadth of Canada.

Mr. ROSS (Souris): Does this increase the cost for inspection as to purity? I believe my question is along similar lines to that asked by another hon. member. For instance, where one has to obtain certain certificates to sell pure seed, will this measure add to the cost of obtaining those certificates?

Mr. GARDINER: To the extent that the fee is put on, it will add to that cost, but in connection with the quantities of seed that are to be sold, under certificates, it will amount to a very small charge per unit. If a person were sending in a small package of seeds for testing, as a sample of the seed he is going to sow, of course the charge would range higher on the quantity for which the test is made.

Section agreed to.

Bill reported, read the third time and passed.

AGRICULTURAL PRODUCTS

MEASURE TO PROVIDE FOR AGREEMENTS WITH COOPERATIVE ASSOCIATIONS AND PROCESSORS

Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Agricultural Products Cooperative Marketing Act, 1939, to provide for agreements with cooperative associations and processors, and to provide also for the calculation and payment of liabilities of the minister under any agreement and for the payment of administrative expenses.

Motion agreed to and the house went into committee, Mr. Fournier (Hull) in the chair.

Mr. PERLEY: Will the minister please explain?

Mr. GARDINER: The proposed amendments provide for a clarification of the terminology of certain sections of the act as a result of one year's experience in its administration. Some of these amendments are necessary also in order to bring sections into line with current practices of cooperative associations. Amendments also provide that the creation or naming of a selling agency to represent a cooperative association or processor may not be required except where necessary, and agreements under the amended act may be made direct with the cooperative association or associations or with the processor or processors, as well as with the selling agency.

The proposed amendment also includes two new sections to the act similar to those which were explained in connection with the Wheat Cooperative Marketing Act. One is to provide for a report to parliament of proceedings under the act, and the other to provide authority to pay any liability which may arise under any agreement, as well as to pay administration expenses.

Mr. PERLEY: How many cooperatives were formed last year, and what has the minister's experience been in respect of them?

Mr. GARDINER: Products handled under the Agricultural Products Cooperative Marketing Act to the end of April, 1940, are these:

Saskatchewan honey.. .. ..pounds	511,000
Manitoba honey. .. ..pounds	1,130,000
Saskatchewan alfalfa seed. ..pounds	1,158,750
Ontario onions.. .. ..cwts.	168,000
Fox pelts..	30,000
Mink pelts..	2,000

Those are the principal commodities. The organizations are: The Saskatchewan Honey Producers Cooperative Association, the Manitoba Cooperative Honey Producers Limited, the Saskatchewan Alfalfa Growers Cooperative Marketing Association, the Ontario Onion Growers Cooperative Limited, and the Fox and Mink producers across Canada. Then, there is also an organization in British Columbia which handles grass seed.

Mr. STIRLING: Does the minister mean that six cooperatives were set up under this legislation, or that on six occasions assistance was given to existing ones?

Mr. GARDINER: There are more than six concerns set up. There is the Saskatchewan Honey Producers Cooperative Association, with headquarters at Fort Qu'Appelle. I believe that is in the constituency of the hon. member for Qu'Appelle. Then, there is the Manitoba Cooperative Honey Producers Limited, with headquarters at Winnipeg; the Saskatchewan Alfalfa Growers Cooperative Marketing Association, consisting of eleven local cooperative marketing associations with headquarters at Prince Albert. There is the Erie-St.Clair Onion Growers Marketing Board at Leamington, Ontario, and the Saskatchewan Registered Seed Growers of Moose Jaw, Saskatchewan. In connection with silver fox pelts there is the Canadian National Silver Fox Breeders Association. Then there are the Dominion Silver Fox Furs Limited, Summerside, Prince Edward Island; and the Charlottetown Fur Sales Limited, Charlottetown, Prince Edward Island. These two have one central agency. Then there is the Prince Edward Island Fur Pool Limited, Summerside, Prince Edward Island, and L'Association des Eleveurs de Renards de la Province de Quebec, St. Hyacinthe, Quebec. Then there is the Dominion Fur Auction Sales Limited, Winnipeg, Manitoba. In connection with silver fox and mink pelts there is the Maritime Fur Pool Limited, Moncton, New Brunswick.

Mr. STIRLING: What about British Columbia?

Mr. MARTIN: The minister has forgotten the corn growers of Kent and Essex.

Mr. STIRLING: Did not the minister mention one organization in British Columbia?

Mr. GARDINER: There is one there, but I do not think it is listed. There is a seed growers' organization in British Columbia.

Mr. MARTIN: Has the minister listed the corn growers of Essex and Kent? If he has not, he has missed a most important one.

Mr. GARDINER: I do not have that on my list.

Mr. MARTIN: There must be something wrong with the minister's statistician.

Mr. PERLEY: How many pounds of honey were produced by the cooperative at Qu'Appelle? Can the minister give the committee the number of pounds of honey shipped through Churchill, also how many pounds that particular point in Saskatchewan contributed to that particular shipment? He will recall that a considerable shipment of honey went out through Hudson bay last fall.

Mr. GARDINER: I have not the figures, but the Saskatchewan honey handled under the Agricultural Products Cooperative Marketing Act totalled 511,000 pounds.

Mr. DOUGLAS (Weyburn): What is the total value of the products handled under the act during the last fiscal year?

Mr. GARDINER: I have not all the products here, but Saskatchewan honey, Manitoba honey, Saskatchewan alfalfa seed, Ontario

onions and fox and mink pelts totalled $906,000. There are some others which I have mentioned and for which I have not the figures.

Mr. QUELCH: What percentage of the whole would that be?

Mr. GARDINER: I have not the figures here. I put most of them on *Hansard* the other night. With regard to honey, it would be a considerable part so far as the west is concerned.

Mr. NICHOLSON: Has the minister the value of alfalfa in Saskatchewan?

Mr. GARDINER: The total was 1,158,750 pounds, valued at $150,000.

Mr. PERLEY: Could we have some information as to the terms of the agreements entered into last year between the department and these cooperatives? Also could we know if there is to be any change this year in the agreements?

Mr. GARDINER: Each agreement made with these different organizations is based upon the practices followed in the marketing of the particular product, but generally speaking the principle upon which agreements are made is that the government guarantees a percentage of the average price for the preceding three years. The bill itself provides that the government cannot guarantee more than 80 per cent of the average price obtained for a product during the previous three years. In actual practice, most agreements cover about 65 per cent of the average for the previous three years. Under the bill, the organization set up uses the guarantee for the purpose of financing their operations, making initial payments to the producers and providing for the cost of administration throughout the season. When the product has been sold, if more than the initial price and the cost of administration is obtained, then they make interim and final payments on the product.

Mr. PERLEY: What will be the liability of the department to these cooperatives under last year's operations?

Mr. GARDINER: There has not been a full year's operation under the act. As the hon. member knows, the act came into force about July 1 last year and has been operating only from that time. Many of these organizations were not set up until quite late in the year. Here are some of the products and dates:

Honey—August 31.
Alfalfa—August 31.
Onions—November 28.
Registered seed—December 20.
Silver foxes—December 8.
Silver fox and mink—December 19.
Silver fox and mink pelts, maritimes—January 4.

These organizations are comparatively new.

Mr. PERLEY: I understand that the fox farmers of Saskatchewan did not organize.

Mr. GARDINER: They have been negotiating, but I do not think their organization has finally been set up. I would not be absolutely certain of that.

Mr. WRIGHT: Is it anticipated that there will be any loss in connection with any of these operations?

Mr. GARDINER: The only case in which there would appear to be any possibility of a loss is in connection with onions, and that situation has improved recently.

Mr. SENN: Do I understand that the list of firms read out by the minister include all firms? If so, has the minister any idea of the quantity of goods handled, how much land area would be covered by the operations and how many producers are involved?

Mr. GARDINER: I placed certain information on *Hansard* a moment ago in connection with the volume of honey, alfalfa seed, onions, and fox and mink pelts. In connection with furs it will be noted from the names of the organizations that they are spread pretty well across the eastern part of Canada, covering the maritimes, Quebec and Manitoba.

Mr. SENN: Would that be all one organization?

Mr. GARDINER: No, there are six organizations in connection with furs.

Mr. DOUGLAS (Weyburn): Could the minister give us any idea as to how many producers have availed themselves of the benefits of this act and what have been the costs of administration of the act?

Mr. GARDINER: I just stated that most of these organizations came into being after August, while others were not set up until November, December and January. As yet no organization has completed a full year, so we have not the necessary returns to complete an estimate of the cost of administration.

Mr. DOUGLAS (Weyburn): How many producers have availed themselves of the benefits of this legislation? Would not the different cooperatives and selling agencies that have applied for benefits under this act furnish some record of the number of producers they represent?

Mr. GARDINER: I have not those figures, but these organizations cover most of the fur producers from the maritime provinces to Manitoba. I think practically all of them are now covered by this legislation. As hon. members know, the alfalfa seed growers are all located in the Whitefox country in northern Saskatchewan, and I think practically

all of them are now under this legislation. The same thing is true of certain alfalfa growers in Manitoba.

The honey producers are organized into one organization covering about the eastern half of Saskatchewan. The organization has its head offices at Yorkton. The honey producers of Manitoba are also organized under the act, and so are some of the grass seed growers in British Columbia.

Mr. DOUGLAS (Weyburn): Has the minister any figures of administration costs to the end of the fiscal year?

Mr. GARDINER: It will be impossible to have them until we get the accounts of the companies themselves.

Mr. MARTIN: Is the hon. member criticizing the act?

Mr. DOUGLAS (Weyburn): The hon. member for Essex East (Mr. Martin) seems to have become the custodian of this end of the house. We are interested in trying to get information about the government's administration of its affairs. We were sent here for that purpose, although nobody has yet been able to determine what my hon. friend is here for. I think we have a right to get the information.

Mr. MARTIN: My question was intended as a very serious one.

Mr. DOUGLAS (Weyburn): I am sure.

Mr. MARTIN: I usually do not have an opportunity of putting a serious question to my hon. friend, but I was trying to do so to-night. This is an act which I think has great merit. The committee will possibly remember that I took almost one whole afternoon here discussing a problem concerning the corn growers of southwestern Ontario.

An hon. MEMBER: It has forgotten by now.

Mr. MARTIN: But I have not. This act has the great merit of encouraging among the corn growers of that part of Ontario a movement somewhat along the lines of that initiated by St. Francis Xavier university. As a result of this act the corn growers got together and formed an association which since July has had, I think, 1,500 paid-up members. They conduct study clubs and run the whole thing by their own efforts. I think the essential credit for this endeavour is due to the inspiration that came from this act, and my reason for putting the question to my hon. friend was to bring out the fact that the act was not without merit. I am glad to find that the new leader of the Cooperative Commonwealth Federation and myself agree on that.

[Mr. Gardiner.]

Mr. DOUGLAS (Weyburn): We have no quarrel as to whether there is merit in the act, but we are trying to find out what percentage of the producers have availed themselves of its benefits, whether it is working to the best possible advantage, and whether changes might not be made in it before the bill itself comes down that might give the act a greater appeal among the producers of agricultural products. Surely the hon. member can find no quarrel with us for seeking that type of information.

Mr. MARTIN: I find no quarrel with my hon. friend. He is protesting too much; that is all.

Mr. WRIGHT: Have any guarantees given to producers under this act been equal to the maximum which might have been given?

Mr. GARDINER: No, I do not think any guarantees have reached the 80 per cent which the act provides might be given. The guarantee has been less than the 80 per cent by agreement between the organizations themselves and the department.

Mr. NICHOLSON: Has the minister information as to the set-up of the alfalfa industry in northern Saskatchewan, the average price over the past few years and the initial payment last year?

Mr. GARDINER: I have not statistical information here on these questions. It has usually been the practice to bring down all such statistical information when the estimates are before the committee of supply. Then all these matters will be open for discussion.

Mr. SENN: I have on several occasions advocated the cooperative marketing of farm products. The questions I have asked to-night, and the questions asked by different members of the committee, have been for the purpose of getting real information. As farmers we are interested in the operation of this act. It takes the place, to some extent, of what was known as the Natural Products Marketing Act, which was later declared ultra vires, and I am surprised that the hon. member for Essex East (Mr. Martin) casts a reflection upon us for trying to get information about the act. I very much want to see the act a success.

Mr. MARTIN: I am sure the hon. member does not want to misinterpret my remarks.

Mr. STIRLING: Order.

Mr. SENN: I was rather of the opinion from what the hon. member said and from the way in which his questions were framed that he implied we were criticizing for the

sake of criticism. I want to assure him and the minister that nothing of that kind was in my mind at least, and I doubt if it was in the minds of other members of the committee who have been seeking information.

As I have said, I have always been interested in cooperative marketing, and I hope the day will come when more of our farm products will be marketed on that basis. We are interested in the operation of this act, and I am only sorry that it has not reached the stage where the minister can give us some real information as to its value and as to its success.

I was going to ask him if any time limit is set with respect to the full crop of a particular area. I have no doubt whatever that there will have to be different times set, because one product will come on the market at one time and another product at a different time of the year, which makes it impossible to have a uniform date when all these agreements shall end their fiscal year. But I believe that some date should be fixed so that a surplus not disposed of cannot be held over from one period to another. It must be apparent that sooner or later there must be an end and an accounting, not only to enable the department and the government to know whether they are to sustain a loss or not, but in order that the farmers may get their final payment. The act as I read it makes it compulsory that not more than 80 per cent of the total shall be paid to the farmer until the department gives the organization its consent to finish up and give the farmer his final payment.

I would ask the minister two questions. The first one is with regard to the final payment. In cases where 65 per cent is the total guaranteed, is the other 35 per cent held back until the end of the year, or is it only the 20 per cent that is over and above the 80 per cent which is allowed under the act?

Mr. GARDINER: The 35 per cent, which is an estimate based on the average of the last three years.

Mr. SENN: The full 35 per cent is held back. That is a serious handicap to a great many farmers who depend on that crop for their revenue for the year. It seems to me that to hold back 35 cents out of every dollar until the whole crop is disposed of is a hardship upon the farmers, and I would suggest to the minister that there might very well be interim payments at least, so that the farmer would not be out so much of his revenue.

Mr. GARDINER: The main objective in this legislation is to assist the farmers to finance. Those who are growing alfalfa seed sell a considerable part of that seed in the United States and some in different parts of Canada. They found it very difficult to sell seed, particularly in the early stages of the seed growing industry there. In the earlier years they were engaged in the growing of alfalfa seed in that section largely because of the fact that many of these farmers had come from the south country, while others who had been living there for some time had found the country not suited to other things which they had been trying to grow. Finally they found that alfalfa was a seed which could be grown to good advantage in that section of the country. In other words, they were men who were trying to establish themselves on farms of a certain type, for the first time. As a result of that condition prevailing, among other reasons, they had to sell their crop almost as soon as they had harvested it and take what they could get for it. Under this act they are able to spread the sale of it over a considerable part of the year, or over that part of the year which passes between the growing of it and the seeding of it the next year, and get better results from the market as it goes along.

Of course the government in common with the farmer has this object in mind, that none of these organizations should lose money. If any considerable number should lose on that advance in any one year or over a period of years, I am afraid the house would want to repeal this legislation. So that whenever any of these organizations come before the officials of the department, the first thing we do is to try to reason with them to get an advance which everyone feels will be safe.

If the committee will permit me—and I do not think they would want to bear with me while I read all this material, which will give a considerable part of the information for which hon. members are asking—I should like to place on *Hansard* the record I have before me. It covers all of the cooperative organizations of which I spoke a moment ago and the names of which I read to the committee. To indicate the type of information it gives, I will take the first item, which is honey. The name of the association is the Saskatchewan Honey Producers Cooperative Association of Fort Qu'Appelle; name of selling agency, P. M. Pugh, Fort Qu'Appelle, Saskatchewan. Then it gives the initial payments to primary producers: grade No. 1, 3 cents a pound; grade No. 2, 2½ cents a pound. Then there are the processing, carrying and selling charges—this is right in the agreement

—in connection with a product of this kind. We limit the charge which can be imposed in connection with the handling of this product to 2 cents a pound on both grades. Then there is the percentage that initial payments and charges are of average wholesale price for past three years; this one is approximately 55 per cent in both cases. So the committee will see that the initial payment is about 55 per cent. There is added to that a possible cost of 2 cents a pound on this honey for all processing, carrying and selling charges. That whole amount is guaranteed. It is not only the 55 per cent of the average price of the three years which is guaranteed; the carrying charges, the selling charges and the processing charges up to 2 cents are also guaranteed. That information is given on this statement which I have before me with regard to all of these organizations; and if it would meet the wishes of the committee and give the information required, I would be pleased to place this table on *Hansard*.

Mr. SENN: I think that information should go on *Hansard*. It will be of value to those of us who want to make a study of it.

Mr. GARDINER: The table is as follows:

Summary of Agreements Under The Agricultural Products Cooperative Marketing Act, 1939

Product	Date of Approval of Agreement	Names of Cooperative Association or Processor	Name of Selling Agency	Initial Payments to Primary Producers	Processing Carrying and Selling Charges	Percentage that Initial Payments and Charges are of Average Wholesale Price for Past Three Years
						(approximately)
Honey	Aug. 31.. ..	Saskatchewan Honey Producers Cooperative Association, Fort Qu'Appelle.	R. M. Pugh, Fort Qu'Appelle, Saskatchewan.	Grade No. 1, 3c. per lb. Grade No. 2, 2½c. per lb.	2c. per lb. 2c. per lb.	55% 55%
Honey	Aug. 31.. ..	Manitoba Cooperative Honey Producers Limited, Winnipeg.	E. B. Chown, Winnipeg, Manitoba.	Grade No. 1, 3c. per lb. Grade No. 2 and Grade 3, 2½c. per lb.	2c. per lb. 2c. per lb.	55% 55%
Alfalfa seed....	Aug. 31.. ..	Eleven Local Co-operative Marketing Associations.	Saskatchewan Alfalfa Growers' Co-operative Marketing Association, Prince Albert.	Registered seed, 9c. per lb. Certified seed, 8c. per lb. Commercial seed, 7c. per lb.	2½c. per lb. 2½c. per lb. 2½c. per lb.	56% 56% 56%
Onions	Nov. 28.. ..	Erie-St. Clair Onion Growers Marketing Board, Leamington, Ontario.	The Ontario Onion Growers' Co-operative Ltd., Leamington, Ontario.	In 100# bags / In 50# bags Grade No. 1: 2½" min. .. 95 50 Grade No. 1: 1¾" min. .. 75 40 Grade No. 2: 1¾" min. .. 55 30 Initial payments mentioned above on onions for immediate sale but on only 85% of quantity placed in storage.	18c. per 100# bag.	60-65%
Registered seed.	Dec. 20.. ..	Saskatchewan Registered Seed Growers Limited, Moose Jaw, Saskatchewan.	W. E. Dempsey, Moose Jaw, Saskatchewan.	See agreement attached for various initial payments.	1½c. per lb. 5c. per bushel.	50-60%

Summary of Agreements Under The Agricultural Products Cooperative Marketing Act, 1939—*Concluded*

Product	Date of Approval of Agreement	Names of Cooperative Association or Processor	Name of Selling Agency	Initial Payments to Primary Producers	Processing Carrying and Selling Charges	Percentage that Initial Payments and Charges are of Average Wholesale Price for Past Three Years
Silver Fox pelts	Dec. 8	The Canadian National Silver Fox Breeders Association.	George A. Callbeck, Summerside, P.E.I.	50% of basic valuations of pelts. Basic valuations are approximately the same as 1939-40 market prices.	$1.05 per pelt plus interest, etc.	(approximately) 40-45%
Silver Fox pelts	Dec. 8	The Dominion Silver Fox Furs Limited, Summerside, P.E.I. Charlottetown Fur Sales Limited, Charlottetown, P.E.I.	John McIntosh, Summerside, P.E.I.	50% of basic valuations of pelts. Basic valuations are approximately the same as 1939-40 market prices.	$1.05 per pelt plus interest, etc.	40-45%
Silver Fox pelts	Dec. 8	Prince Edward Island Fur Pool Limited, Summerside, P.E.I.	Peter G. Clark, Summerside, P.E.I.	50% of basic valuations of pelts. Basic valuations are approximately the same as 1939-40 market prices.	$1.05 per pelt plus interest, etc.	40-45%
Silver Fox and Mink pelts . . .	Dec. 8	L'Association des Eleveurs de Renards de la Province de Québec, St. Hyacinthe, Quebec.	Syndicat Co-operatif des Producteurs de Fourrures, Quebec City.	50% of basic valuations of pelts. Basic valuations are approximately the same as 1939-40 market prices.	25 cents per fox pelt and 10 cents per mink pelt plus interest, etc.	40-45%
Silver Fox and Mink pelts . . .	Dec. 19	Dominion Fur Auction Sales Limited, Winnipeg, Manitoba. Soudack Fur Auction Sales Limited, Winnipeg, Manitoba. Edmonton Fur Auction Sales Limited, Edmonton, Alberta. Little Bros. Fur Sales Agency Limited, Vancouver, B.C.	J. A. Couture, Winnipeg, Manitoba.	50% of basic valuations of pelts. Basic valuations are approximately the same as 1939-40 market prices.	25 cents per fox pelt and 10 cents per mink pelt plus interest, etc.	40-45%
Silver Fox and Mink pelts . . .	Jan. 4	Maritime Fur Pool Limited, Moncton, N.B.	Harry Rich, Moncton, N.B.	50% of basic valuations of pelts. Basic valuations are approximately the same as 1939-40 market prices.	$1.05 per fox pelt and 30 cents per mink pelt plus interest, etc.	40-45%

(Interim payments of one cent per pound have been made to honey producers in Manitoba and Saskatchewan. Interim payments aggregating $25,686.65 were made to alfalfa seed producers in Saskatchewan. No registered seed was delivered under the agreement which was concluded with the Saskatchewan Registered Seed Growers of Moose Jaw.)

Mr. SENN: What length of time will be allowed each of these organizations?

Mr. GARDINER: I should have answered that. The surmise of the hon. member is correct, that different times will be inserted in different agreements, depending on the way in which the different products are handled, the times of the year at which they are harvested and the times they are used for certain purposes. For example, for seeds, harvested in the fall and planted in the spring, there will be a different time as contrasted with furs, which are marketed throughout the year.

Mr. SENN: It is very important that one crop should be cleared up before the next one comes on the market. I should like to know if it will be possible for the department to insist on there not being any carryover at all?

Mr. GARDINER: Details with regard to these matters are written right in the agreements in order to deal with each product as it is or always has been handled on the market by the different organizations.

Mr. SENN: I believe it would be of value to the committee if a copy of some agreement, of a general character, were placed on *Hansard* or put at the disposal of the committee so that we could study it and have some idea of its terms.

Mr. GARDINER: I am afraid that any particular one of them would not be of much value. I would suggest this, that I attempt to get a copy of each one of these agreements and have those copies placed on the table of the house so that hon. members can go through them before we take up the estimates in connection with the expenditures under this act. I believe we would then be in a position to discuss all details in connection with them.

Mr. STIRLING: Has there been under this act a considerable number of applications, of which the number the hon. member has referred to were successful?

Mr. GARDINER: I am speaking only from memory, I thought I had the details here. My recollection is that some twenty-seven or twenty-nine cooperatives all told have been set up under control selling agencies. I am not in a position this evening to say to what extent all of them have been doing business since they were set up, but I believe that nearly all of the organizations which have made application have finally entered into agreements with the department.

Mr. QUELCH: In British Columbia and Alberta cooperative marketing acts were passed, but have the boards of those provinces taken any steps to take advantage of this act?

Mr. GARDINER: I think an organization in connection with grass seeds has been set up in British Columbia. Speaking from memory, I believe that is the only one that we have had under consideration in that province. I do not recall that any organization has been set up in Alberta. I will check closely on that and bring the information down.

Mr. WRIGHT: The alfalfa growers' cooperative organization of northern Saskatchewan was formed a year before this act came into force. It came in under the legislation afterwards, however, during the past year.

Mr. GARDINER: Oh, yes. I think that would be true of most of these organizations, that they were in existence as cooperative organizations before this act came into being. They have come under the act for the purpose of assistance in financing.

Mr. DOUGLAS (Weyburn): What steps have the department taken to get these cooperatives formed? I am surprised that a larger number of cooperatives have not availed themselves of the benefits of this act. I thought it would be much larger than the list the minister read.

Mr. GARDINER: I think the list is larger than the one I have read. Apparently only the ones for which we had statistical information were placed on the list I have. The department has not gone out to promote the organization of the cooperatives. Most of them are set up under provincial charters; sometimes they have been encouraged by provincial promoters of cooperative organization to come under this act. In most instances they have simply written to the department for information; we have sent out the information; and as a result of their obtaining it they have formed control selling agencies.

Resolution reported, read the second time and concurred in. Mr. Gardiner thereupon moved for leave to introduce Bill No. 24, to amend the Agricultural Products Cooperative Marketing Act, 1939.

Motion agreed to and bill read the first time.

FARMERS' CREDITORS

AMENDMENT OF ARRANGEMENT ACT AS TO PROPOSALS FOR COMPOSITION, ETC., IN MANITOBA

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

That it is expedient to introduce a measure to amend the Farmers' Creditors Arrangement Act, 1934, to provide inter alia that proposals for a composition, extension of time or scheme of arrangement may be made under the said act by farmers in Manitoba.

Motion agreed to and the house went into committee, Mr. Fournier (Hull) in the chair.

Mr. RALSTON: The object of the bill which is to be founded on this resolution is to provide that the Farmers' Creditors Arrangement Act shall be in force in Manitoba as it is in Alberta and Saskatchewan. It will be remembered that this matter has been the subject of legislation at two previous sessions. In 1938 I think it was, by amendment of the senate if I remember correctly, provision was made whereby the act was terminated, as far as its effect in Manitoba was concerned, as of June 30, 1939. Then in 1939 legislation was introduced similar to that which I am proposing now, to provide for reopening the act in Manitoba. That legislation was not carried by parliament although it passed this house. Since that time further representations have been received. The situation up to June 30, 1939, was as follows: From the time the act came into force until June 30, 1939, when it expired, as to future applications, 11,369 farmers in Manitoba had interviewed official receivers regarding their debts, and 4,714 had submitted proposals, of which 867 were awaiting final settlement on June 30, 1939. Since that time the board in Manitoba has been sitting, dealing with those cases which were outstanding as of June 30, 1939.

Representations are made that of those who failed to submit proposals a large number were from districts where adverse crop conditions had prevailed for a period of years, and therefore farmers had become so hopelessly involved that a proposal was not practicable at the time. Another suggested reason why proposals were not made before the expiration of the act is that farmers who had not availed themselves of the benefit of it, a number of them at least, were those whose creditors, realizing that there was not any hope of collection, did not exert pressure and therefore there was no incentive to ask for the benefit of the act's provisions. The point is made now that one fairly good crop has changed this situation. It is said that the farmers are faced with legal proceedings by foreclosure, seizure and dispossession, and that every effort ought to be made to retain the farmers on the land as efficient producers. Hon. members will recall that according to its preamble the act was enacted originally not as a bankruptcy act for farmers but rather as a measure for the purpose of inducing farmers to remain on the land.

In April of this year the legislature of Manitoba adopted a resolution which is in the following terms:

That the legislature of Manitoba unanimously requests the passage by the parliament of Canada of adequate enabling legislation to make the King's Bench Amendment Act, 1939, effective in the province of Manitoba; or if the dominion parliament be not prepared to pass such enabling legislation, that in order to remove the present condition of injustice from which the Manitoba citizens suffer as compared with those of Alberta and Saskatchewan in the matter of debt adjustment legislation, the dominion parliament should reenact the Farmers' Creditors Arrangement Act as applicable to the province of Manitoba at the earliest possible time; and that copies of this resolution should be sent to the right honourable the Prime Minister of Canada and the members of the House of Commons and of the Senate.

Resolutions have been received also from the Manitoba Federation of Agriculture, Winnipeg, and numerous local farm organizations requesting the reenactment of these provisions.

It is with these conditions and representations in mind that we propose, if this resolution passes, to present to the house a bill founded on this resolution for the purpose of extending the provisions of the act to apply in Manitoba.

As I recall, there is another section with regard to the matter of official receivers. This section may be dropped; it is only a formal section anyway. Its effect is to provide that in provinces in which there are no further proposals to be made, the official receivers appointed under the act shall cease to hold office, because there is no necessity for having provision for receivers if there is no work for them to do.

Mr. HANSON (York-Sunbury): I have no objection at all to this resolution. I rise only for the purpose of asking for information in respect of the situation in New Brunswick. Does the minister know whether the act has lapsed in New Brunswick, and if so, has there been a deadline?

Mr. RALSTON: Yes, there is a dead-line, but I am not sure if the operations of the board were completely finished. The board was operating until a very short time ago, but operating on proposals which had been presented before the act had lapsed.

Mr. HANSON (York-Sunbury): Then in effect the act has lapsed in New Brunswick as far as new applications are concerned, and they are just cleaning up?

Mr. RALSTON: That is so.

Mr. HANSON (York-Sunbury): I am glad to hear that, because really it has been a racket.

Mr. BROOKS: I think, as far as New Brunswick is concerned, they are still hearing proposals of soldier settlers.

Mr. RALSTON: That is so in all provinces.

Mr. BROOKS: Does this prevent any further new applications from farmers in Manitoba?

Mr. RALSTON: On the contrary, this would permit new applications.

Mr. BROOKS: How about soldier settlers throughout Canada?

Mr. RALSTON: As I understand, the act still applies to them.

Mr. NEILL: Is the minister sure of that?

Mr. RALSTON: I have not looked at the act, but I noticed statements in previous debates.

Mr. NEILL: I was under the impression that as far as Ontario is concerned, it is absolutely cut off, and I think in British Columbia also. The soldier settler was exempted for a period, but I thought the period had lapsed.

Mr. RALSTON: In reading the debates of last year, I got that impression, but I have not looked at the act.

Mr. HANSON (York-Sunbury): That information could be obtained.

Mr. RALSTON: I will get that information for my hon. friend.

Mr. SENN: Has the minister information as to whether the board of review is still operating in Ontario?

Mr. RALSTON: That is really what we are talking about here. The board is not operating as far as any new cases are concerned.

Mr. SENN: But to clean up cases.

Mr. RALSTON: If there are any cases left, although I do not think there are any, I have not heard of any reports of operations. I find that I was quoting my colleague the Minister of Mines and Resources (Mr. Crerar) regarding soldier settlers; I knew I had some authority for the statement I made. In the debates of last year this question was asked by Mr. Weir, as reported on page 2678 of *Hansard:*

> Mr. Weir: . . . I have just one question to ask of the minister. Is it a fact that all soldier settlement board cases where compromises are made are dealt with under this legislation?
>
> Mr. Crerar: So far as soldiers under the Soldier Settlement Act are concerned, throughout Canada they all come under the Farmers' Creditors Arrangement Act.

It may be that the way in which it is stated there does not justify the statement I made, but certainly I gathered that impression from what my colleague said at the time. However, I shall certainly look at the act to see.

Mr. BROOKS: I believe a time limit should be set under this act as far as the soldier settlers are concerned. I know in New Brunswick they have waited months and months, but the judge who was supposed to look after the matter has not heard the cases yet.

Mr. RALSTON: I believe the New Brunswick court is sitting and cleaning up the cases. Is my hon. friend asking that a time limit be fixed?

Mr. BROOKS: It seemed to me there should be a time limit, because the thing seems to be going on indefinitely. I know soldier settlers there have waited a long time to have their cases adjudicated, and nothing has been done.

Mr. RALSTON: The hon. member means a time limit on the board?

Mr. BROOKS: Exactly.

Mr. ROSS (Souris): Has the minister any thought of bringing down enabling legislation so that a land court might be established by the provincial government of Manitoba? That has a distinct bearing on this matter.

Mr. RALSTON: No.

Mr. ROSS (Souris): Quite frankly, there are some aspects of the administration of this act that I do not like, but I am quite satisfied that it is absolutely necessary that the farmers should have some recourse, owing to the condition of agriculture in western Canada to-day. During the last several years the cost of production has advanced tremendously. At page 58 of *Hansard* for this session the leader of the social credit group placed on record figures showing that the average cost of some twenty-one articles necessary on the farm has advanced 66.7 per cent since 1914. Then the other night the Minister of Agriculture placed figures on record indicating that there was

very little difference between the average prices of wheat and certain other agricultural products for the five year period prior to the commencement of the last great war and the average for the same period before the beginning of the present war, which is quite true. Notwithstanding that, as the minister went on to point out, the dollar has not nearly the purchasing power to-day that it had then.

We in the west are in an exceptionally bad situation at the present time because the average of $1.02 for the five years prior to 1939 was almost twice what we have received so far for the crop of 1939, on the basis of 70 cents at Fort William, which nets the farmer in my district about 55 cents a bushel for No. 1 northern. Therefore I do not think any argument is necessary to point out that it is utterly impossible for the farmer, no matter how well he may manage, to exist and raise his family and pay his way under these circumstances. So, while personally I do not like some aspects of this act, we must have some means of recourse, and I am glad that the minister has seen fit to bring in this act so that our people in Manitoba may have a chance to reestablish themselves. We need something that will enable the farmer in the west to go along on a sound business basis, as other industries in this country are permitted to do.

I do not want to get mixed up with any theories in what I am about to say, but I think in western Canada, and for that matter throughout Canada, we have one of the finest economies in the world. Let me give an example of what I mean. In South Africa the people are directly dependent for their livelihood upon their output of gold and the demand for that product. If something unexpected should happen, as it may, those people cannot eat that gold or clothe themselves with it. On the other hand, I do not have to point out that in Canada, and especially in western Canada, with which I am much better acquainted, we have the finest cereals and live stock in the world. Farther north we have our immense mineral and timber wealth, so we have everything that is absolutely essential for the maintenance of life in this country. I do not know that we really appreciate what we have here; it is a matter of the administration of those vast resources. Probably before we are through this terrible crisis we may to a greater extent appreciate our great natural resources and what we can produce. At present, however, we are forced to resort to some legislation such as this, and therefore I commend the government, instead of criticizing them, for doing something for our people in the west. Certainly the farmers of Manitoba require some legislation of this kind until the government sees fit to put the agricultural population on a sound basis which will enable them to make their own way without need of adjustments of this kind.

Mr. DOUGLAS (Weyburn): I am glad that the benefits of this legislation are to be made available again in Manitoba. Personally I thought it was a tragedy when this act was made inoperative in that province. I should like to make an appeal to the Minister of Finance, however, before he brings down the bill, if I am not out of order in so doing. This act was passed originally in 1934 and was by way of an experiment, as the minister has said. It was not bankruptcy legislation; it was an attempt to retain farmers on the land as efficient producers. Boards of review were set up, but they tackled the job very gingerly. I need not take time to read the statistics now; I can place them before the committee when we are on the bill, but in the first two or three years the reductions were very small, in some instances as low as 16 or 17 per cent of the whole accumulated debt.

This government came into power in 1935, and in 1936 a new board of review was set up in Saskatchewan. In the meantime there had been two crop failures. The figures given by the Sirois commission show that in those two years the agricultural income of Saskatchewan dropped drastically; and the board of review, faced with those conditions, saw that it was necessary to tackle the question of cutting these debts much more courageously.

As a result, from 1936 to 1939—I have not the figures for this year—the percentage of reduction of the accumulated debt grew until in the last year debts were practically being cut in half. It is easy to see why that was necessary. In the meantime there had been four or five crop failures; prices of other commodities had increased; debts had piled up, and the boards of review were compelled to meet the situation. I think they met it very well, and I believe this legislation has been extremely beneficial.

What I want to point out is that the people who came under this legislation in the first two or three years now find that the proposals made to them are most inadequate in the light of subsequent events; and they find their debts now as high as when they went before the board of review, if not higher, with the exception of a few districts. In the greater part of Saskatchewan it is not possible for the farmers to meet the terms of the proposals that were made in those years, and the result is that many of those people now find it

absolutely impossible to keep up with proposals that looked fairly proper and safe in 1934, 1935 and 1936. Therefore I am asking the Minister of Finance, when he brings down his bill, to consider the possibility of allowing rehearings in Saskatchewan for people who came before the board of review in those first few years, when the board was more or less experimenting so far as the question of keeping farmers on the land as efficient producers was concerned.

I know what the minister has in mind—and it is quite valid—namely, that you cannot continue to have rehearings ad infinitum. Under those circumstances we would have a board of review sitting constantly for years. But I would point out to him that in the first two or three years of operation this act was in an experimental stage. Boards of review had no precedent from which to judge what reductions should be made, nor did they know what amount could be paid. After these years of experience the boards of review have done much better, and they are doing a very good job to-day. I do say, however, that the people who came in the early stages, in 1934, 1935 and 1936, have been penalized because of this lack of experience. If the people who came before the boards of review in those years could be allowed rehearings now, it would enable many, who otherwise are going to find it impossible, to remain on the land.

Resolution reported, read the second time and concurred in. Mr. Ralston thereupon moved for leave to introduce Bill No. 25, to amend the Farmers' Creditors Arrangement Act, 1934.

Motion agreed to and bill read the first time.

On motion of Mr. Crerar the house adjourned at 10.25 p.m.

Monday, June 3, 1940

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 26, to incorporate The Alberta Provincial Bank—Mr. Blackmore.

NATIONAL REVENUE

REPEAL OF PROVISION FOR THE MAKING OF CERTAIN APPOINTMENTS BY ORDER IN COUNCIL

Hon. J. L. ILSLEY (Minister of National Revenue) moved for leave to introduce Bill No. 27, to amend the Department of National Revenue Act.

Some hon. MEMBERS: Explain.

Mr. ILSLEY: The Department of National Revenue Act provides, among other things, for the appointment by order in council of certain officers of the customs and excise divisions. These are preventive officers, appraisers, investigators of values and drawback officers. The practice, however, has fallen into disuse. The preventive work is now done by the Royal Canadian Mounted Police, and since 1934 appointments to all the other offices I named have been made by the civil service commission. It has been done in that way as a matter of policy by succeeding ministers, and it is now considered desirable to repeal the provisions that empower the governor in council, on the recommendation of the minister, to make these appointments, leaving it entirely in the hands of the civil service commission.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WOODEN SHELL BOXES

Mr. HOMUTH:

1. Have wooden shell boxes been ordered from any Canadian firms?
2. If so, were tenders called?

Mr. HOWE:

1. Yes.
2. Yes.

GEORGES GONTHIER

Mr. McGREGOR:

1. For how many years was Georges Gonthier auditor general of the Dominion of Canada?
2. When did he retire?
3. Is he in receipt of superannuation?

Mr. RALSTON:

1. 15 years, 10 months, 3 days.
2. November 21, 1939.
3. Yes.

PRODUCTION IN CANADA OF MACHINE GUNS AND TANKS

Mr. BRUCE:

1. Has the Minister of Supply canvassed the possibility of securing the production of modern machine guns and tanks in substantial quantities, in any of the existing factories in Canada?

2. If so, have orders been placed, and for what amount?

Mr. HOWE:

1. Yes.
2. Excluding Bren guns, no.

CALLING OUT OF MILITIA—MILITIA CAMPS AND TRAINING EQUIPMENT

Mr. CHURCH:

1. Will the government give immediate consideration at once to the calling out of all the militia of Canada, under the Militia Act, for active service or a period of training for emergency service?

2. Will the instructions or orders of all kinds herein, to military districts, be tabled for the information of the house?

3. What June camps for the militia are being held, and where?

4. Will uniforms, rifles, and other modern mechanized armament be available for training at these camps?

Mr. ROGERS:

1. It is not customary to announce government policy in answer to specific questions on the order paper.

2. Answered by 1.

3. Owing to the mobilization of the 3rd and part of the 4th divisions, the camps originally authorized for the non-permanent active militia units in June are being postponed. The question of non-permanent active militia camp training is now under consideration.

4. Answered by 3.

IMPORTATIONS OF COFFEE

Mr. HATFIELD:

1. What quantity of coffee was imported into Canada in the years 1938 and 1939 from: (a) Brazil, and (b) Venezuela?

2. What quantity is imported: (a) direct through Canadian points, and (b) via United States?

3. Does Canada receive credit as the importing country for coffee imported via United States?

4. If not, has the government taken any steps to see that Canada gets trade credit for these and other imports reaching Canada via United States ports from Brazil, Venezuela, and other South American and Central American countries?

Mr. MacKINNON (Edmonton West):

1 and 2.

Coffee imported direct or on through bill of lading:

Calendar Year	Brazil Pounds	Venezuela Pounds
1938	5,627,713	98,060
1939	8,527,076	150,837
Coffee imported indirect:		
1938	.....	.....
1939	.....	.....

3. In Brazilian statistics the destination of merchandise exported is that declared in the manifests; however, that is not always the ultimate destination. It is stated in the Brazilian trade returns that there are no means of accurately determining in their statistics the final destination of merchandise. It is also stated: "As Brazil does not have direct navigation lines to all countries, it so happens that many countries are not shown as importers of our products, whereas others are shown, unduly, with larger quantities than those which they really import."

The situation with respect to Venezuelan exports is similar. Accordingly, exports of coffee from these countries to Canada tend to be somewhat smaller than the amount actually purchased and consumed in Canada.

4. Yes. The Department of Trade and Commerce has recently made an investigation of the discrepancies between Canadian statistics and those of other countries covering the same trade. The Canadian government has, from time to time, as occasion required, made representations to various South American and other countries drawing attention to the true position of Canada as a market for their products.

WAR CONTRACTS BY PROVINCES

Mr. HANSELL:

What is the total amount of war contracts placed in each of the provinces since September 1, 1939?

Mr. HOWE:

Amount of contracts placed by the Defence Purchasing Board, the War Supply Board, and the Department of Munitions and Supply, classified by provinces, July 14, 1939, to April 30, 1940.

Province	Total
Nova Scotia	$4,438,920.09
New Brunswick	2,707,755.03
Prince Edward Island	810.00
Quebec	66,658,776.15
Ontario	54,987,490.90
Manitoba	920,302.32
Saskatchewan	146,882.84
Alberta	367,347.27
British Columbia	20,426,278.10
Unclassified	12,960,000.00
Total	$163,614,562.70

ROYAL CANADIAN AIR FORCE—WIRELESS TRAINING

Mr. MAYBANK:

1. Does the Royal Canadian Air Force give complete training in wireless to persons enlisting in the force?

2. Does the Royal Canadian Air Force take in recruits with no wireless experience at all with a view to training them as wireless operators?

3. If not, what is the minimum wireless knowledge requirements necessary for one to enlist in the Royal Canadian Air Force to become a wireless operator?

Mr. POWER:

1. Only to wireless operators and wireless electrical mechanics.

2. Yes.

3. Not applicable (see 2 above.)

TRANS-CANADA AIR LINES—NUMBER OF AEROPLANES AND EMPLOYEES

Mr. HANSELL:

1. How many aeroplanes are now in the service of the Trans-Canada Air Lines?

2. What types of planes are used, and how many of each?

3. How many people are employed by the Trans-Canada Air Lines, and how many are in each classification?

Mr. HOWE:

1. Fifteen (15).

2. All aircraft used by Trans-Canada Air Lines are of the Lockheed 14'H-2, low wing; monoplane type.

3. As at April 30, 1940, Trans-Canada Air Lines had a total of 615 employees, classified as follows: Administrative, operations and traffic officers, 16; clerical, accounting and stores staffs, 46; traffic staffs, 31; station staffs, 18. Flight personnel: Captains, 35; first officers, 46; stewardesses, 46. Maintenance and overhaul: Engineering, 7; foremen, chief mechanics and crew chiefs, 28; air engineers, 38; helpers, 50; mechanics, 52; radio mechanics, 11; chauffeurs, labourers and learners, 79; janitors, firemen, carpenters, etc, 15. Communications and dispatch: Dispatchers and operator-dispatchers, 15; operators, 76; radio technicians, 6. Total, 615.

*WAR REFUGEES

Mr. BRUCE:

1. Has the Canadian government sent a message to the British government offering to take refugees and evacuees into Canada?

2. If so: (a) on what date; (b) how many?

3. Has the British government got control of all shipping?

Mr. CRERAR: Communications have passed between this government and the high commissioner's office. I do not think it desirable—certainly not at this time—to give the information asked for in the second part of the question. In regard to the third part of the question I would say that the British government controls all shipping under British registry, and I am informed that that includes practically all Canadian transatlantic shipping.

ROYAL CANADIAN AIR FORCE—ENLISTMENTS

Mr. McLEAN (Simcoe East):

1. What is the number of officers and airmen with previous military experience who have been taken on the strength of the Royal Canadian Air Force since the outbreak of hostilities on September 10, 1939?

2. How many of these have had experience in actual war?

Mr. ROGERS:

1. Officers with previous military experience, 546; airmen with previous military experience, 1,284.

2. Officers with war experience, 239; airmen with war experience, 219.

WHEAT AND CATTLE SHIPMENTS VIA HUDSON BAY ROUTE

Mr. DIEFENBAKER:

1. How many bushels of wheat were shipped by the Hudson bay route during each of the years 1935 to 1939 inclusive?

2. How many cattle were shipped over the said route during the same years?

Mr. MacKINNON (Edmonton West):

1.

Year	Bushels
1935	2,407,000
1936	4,293,501
1937	603,982
1938	916,913
1939	1,772,460

2. None.

NATIONAL DEFENCE—RAILWAY AND FORESTRY TROOPS

Mr. COCKERAM:

1. Has the British war office made any suggestion to the Canadian Department of National Defence that they would welcome the services of railway and forestry troops?

2. If so, what reply was given to the British government?

Mr. ROGERS: It is not customary to disclose war office communications. The Canadian government has indicated its readiness to provide both railway and forestry troops.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BREN GUN TRIPODS

Mr. HOMUTH:

1. Have the tripods for the Bren machine guns been ordered?

2. If so, were tenders called?

3. Who was the successful tenderer?

4. Have any tripods been delivered up to and including May 23?

5. If not, when may delivery be expected?

Mr. HOWE: Return tabled.

IMPORTS OF VEGETABLE OIL

Mr. HATFIELD:

1. What quantity of vegetable oil has been imported into Canada during each of the last sixteen months, and from what countries?

2. What use is made of this vegetable oil in Canada?

3. What estimated quantity of butter, lard and other dairy products do these imports of vegetable oil replace in Canada?

Mr. MacKINNON (Edmonton West): Return tabled.

IMPORTS OF TABLE POTATOES FROM UNITED STATES

Mr. HATFIELD:

1. What quantity of table potatoes entered Canada from the United States during each of the last sixteen months?

2. What quantity of above were: (a) United States grade 1 size, and (b) United States grade 1 size "A"?

3. Why does the government allow United States grade 1 size "B" potatoes, which are similar to Canada grade 1 small, to enter Canada when potato growers in Canada are not allowed to market this grade of potatoes in Canada?

4. What quantity of said potatoes imported were trucked across the border into New Brunswick and shipped to the Canadian market under the Maritime Freight Rates Act?

MANUFACTURE OF AEROPLANES AT LONGUEUIL, QUEBEC

Mr. BRUCE:

1. Are aeroplanes being manufactured at Longueuil, Quebec?

2. If so, how many have been completed and delivered at the airport at Rockcliffe?

3. Are these aeroplanes tested out in Longueuil before being sent to Rockcliffe?

4. If so, by what method are they transported to Rockcliffe?

5. Are contracts for the building of ships, trawlers and minesweepers let only to experienced shipbuilding firms?

IMPORTS OF PORK AND PORK PRODUCTS

Mr. HATFIELD:

1. What quantity of pork and pork products was imported into Canada from the United States during each of the last six months? (a) What quantity of above pork was consumed in Canada; and (b) what quantity was processed in Canada and exported, on which drawback duty was earned and payable?

2. Was a quota established for United States pork entering Canada? If so, what was the quota?

3. Was there a surplus of pork in Canada at the time quota was established?

4. If so, why was quota established instead of prohibiting importation?

[Mr Howe.]

FISHING BONUSES

Mr. ROY:

To whom, and how much did the Department of Fisheries pay in bonus during the 1939 fishing season only, of the fiscal year 1939-40, either directly or through the Salt or Canned Fish Board or through any other body to the fishermen of Cap-aux-Meules, l'Etang-du-Nord, Grande-Entrée, Hâvre-aux-Maisons, Hâvre-Aubert, and Grosse-Ile, in Magdeleine Islands; and to fishermen of Newport, Grande-Rivière, Ste-Thérèse, Anse-à-Beaufils, Cap-des-Rosiers, Rivière-au-Renard, St-Maurice, Clorydorme, and Grande-Vallée, in Gaspé county?

CANADIAN NAVAL SERVICES—PAY AND ALLOWANCES

Mr. DIEFENBAKER:

1. Have any changes been made in the rates of pay and separation allowances in the Canadian naval services since the outbreak of war?

2. If so, when were these changes made, and upon whose recommendation, and what are the particulars thereof?

MOTIONS FOR PAPERS

RELEASES FROM INTERNMENT CAMPS

Mr. CASTLEDEN:

For a return showing a list of all persons released in 1939-40 from internment camps in the provinces of Manitoba, Saskatchewan, Alberta, and Ontario, together with the dates of release and reasons therefor.

Mr. LAPOINTE (Quebec East): In answer to some questions with regard to the same matter I have already stated that circumstances connected with the internment and release of enemy aliens cannot be disclosed to the public. Such disclosures would involve the publication of sources of information which it would not be in the public interest to disclose. As a matter of fact some of the information it would be impossible to disclose, coming as it does even from the secret services of other countries, neutral as well as allied countries. This matter is of somewhat the same nature as questions relating to the release of prisoners, ticket-of-leave, and the like. It has been the policy of all governments that such information is of a highly confidential nature and that it would be against public policy and the interests of the state to give it.

Mr. HANSON (York-Sunbury): I realize the motion is not debatable, but I suggest to the Minister of Justice that the argument he has advanced—and to this extent I agree with it—relates entirely to the last part of the motion, which asks for the "reasons therefor." The government, however, might produce, as the hon. member moving the motion requests, a return showing the list of persons released,

with dates of release. To do that, it seems to me, would not be in contravention of any public interest.

Mr. LAPOINTE (Quebec East): I should like to consider the suggestion of the leader of the opposition. I do not think, however, that the names of the persons interned should be given.

Mr. HANSON (York-Sunbury): The order asks for the names of persons "released," not "interned."

Mr. POULIOT: All the K.K.K. should be interned.

Mr. HANSON (York-Sunbury): Order; this is a serious matter.

Mr. LAPOINTE (Quebec East): All right; let it stand.

Motion stands.

INTERNMENT OF F. K. SCHNEIDER

Mr. MAYBANK:

For a copy of all correspondence, letters, telegrams and other documents relating to the internment as an enemy alien of F. K. Schneider, of Lockport, Manitoba, and the subsequent release of the said F. K. Schneider.

Mr. LAPOINTE (Quebec East): For the same reasons I object to the carrying of this motion.

SURVEY OF ENGINEERING SHOPS IN CANADA

Mr. BRUCE:

For a return of the survey made by Lieutenant-Colonel Ogilvy, of the Department of National Defence, relating to the engineering, machine and metal-working shops of Canada, in which was set out the capacity of these shops which are now being used for munitions, as well as their maximum capacity.

Mr. HOWE: I would point out that Lieutenant-Colonel Ogilvy and his staff are continuing to make the survey referred to in this motion. The last time I had a report the surveys then made totalled over 2,200. Each survey is contained in a voluminous document, and I suggest that it be quite impossible to produce in the form of a return what is here asked for.

Mr. HANSON (York-Sunbury): I appreciate the magnitude of the reports to which the minister has referred. However, if the order were allowed to stand some plants might be selected on which copies of reports could be received. I have not conferred with the hon. member sponsoring the motion, but I should not like to see it dropped. I agree with the minister that to produce in its entirety what is requested would involve a huge task.

Mr. HOWE: I would try to table the information with respect to specific plants, if that were called for.

Mr. HANSON (York-Sunbury): Let it stand.

Motion stands.

NELWAY, B.C., UNEMPLOYMENT PROJECT

Mr. ESLING:

For a copy of all correspondence, letters, telegrams, claims and other documents in connection with claims for damages resulting from a fire at unemployment project No. 65, Nelway, British Columbia.

NATIONAL DEFENCE—MANUFACTURE OF TANKS IN CANADA

Mr. STIRLING:

For a copy of all correspondence, cables, telegrams, memoranda, notes of telephone conversations, and any other papers or documents passing between this government and His Majesty's government in the United Kingdom and/or any agent or authorized representative of either government, and between this government and persons or corporations, relating to the manufacture of tanks in Canada since January 1, 1938.

Mr. HOWE: I must point out that communications between governments are privileged, and in any event could be released only with the consent of the other government concerned. If there are any communications they are supplemented by conversations between the British mission in Canada and the Department of Munitions and Supply or the war supply board, which in any case would not be available to table. I suggest that under all the circumstances this motion be dropped.

Mr. STIRLING: I wonder if it would be possible for the government to bring down those portions of the request which do not apply as between the two governments—for instance, the agents for other firms who have been communicated with?

Mr. HOWE: I shall look at the files to see what communications there are. If there are any such as described by the hon. member, the matter could be further considered.

Motion stands.

COMMONWEALTH AIR TRAINING

SPEECH OF ACTING DEPUTY MINISTER OF NATIONAL DEFENCE FOR AIR BEFORE OTTAWA SERVICE CLUBS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, before the orders of the day are called I should like to direct a

question to the Prime Minister (Mr. Mackenzie King). Is it true that during an address which Mr. James S. Duncan, acting deputy minister of national defence for air, delivered at noon to-day before a joint meeting of service clubs he made several announcements concerning important changes in governmental policy in connection with the commonwealth air training plan? If so, when did it become the practice to have important announcements of government policy with respect to matters of vital national interest made by an acting deputy minister, no matter how able, important and valuable he may be, to the public while parliament is in session? It seems to me that such a course is directly contrary to correct practice and to the repeatedly expressed conviction of the Prime Minister, and is not in keeping with responsible government. I think some explanation is due to the house and the country.

Hon. C. G. POWER (Minister of National Defence for Air): Mr. Speaker, I happened to be present at the joint meeting of service clubs which was addressed to-day by Mr. Duncan. I do not know that one could describe the declarations or statements made by Mr. Duncan as indicating important changes in government policy.

Mr. HANSON (York-Sunbury): I have the speech here, and that is how I interpreted it.

Mr. POWER: However, it may be that certain information was given to the public with respect to the commonwealth air training plan which up to that time had not been made known. I believe that it was in the public interest that such information be made known.

Mr. HANSON (York-Sunbury): Yes, but here in this house.

Mr. POWER: Complaints have been received that the public have not been taken into our confidence. Although very often we have taken parliament into our confidence, apparently the information did not get to the public. If Mr. Duncan took this means of making this information generally known to the country, I think he is to be commended.

Mr. HANSON (York-Sunbury): I have an advance copy of the press release of the speech, and my interpretation of it is that it is an announcement of vital changes in matters of public policy respecting this scheme, an announcement which should have been made to parliament.

Mr. POWER: It is an announcement of certain means taken to accelerate the commonwealth air training scheme.

[Mr. R. B. Hanson.]

Mr. CASSELMAN (Grenville-Dundas): Why not adjourn parliament and let us go home?

WHEAT BOARD

WINNIPEG GRAIN EXCHANGE OPEN UNTIL END OF CROP YEAR—SALE OF WHEAT TO BRITISH GOVERNMENT

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce (Mr. MacKinnon) based upon a report which appeared in to-day's Ottawa *Journal*, a copy of which I hold in my hand. The report is headed "Grain exchange open to July 1st." The second paragraph states that the government has decided not to close the Winnipeg grain exchange for the remainder of this crop year. The third paragraph reads:

> The Canadian wheat board sold 50,000,000 bushels of wheat to the buying agency of the British government at a price considerably above the present market.

Is the minister prepared to make a statement with respect to the sale of this considerable amount of wheat? Would he mind stating also what was the price and who is the British buying agency? Is there any intermediary, such as members of the Winnipeg grain exchange, between the Canadian wheat board and the British buying agency?

While I am on my feet I should like to ask the minister whether the British government or the British buying representatives have at any time since last September made representations to this government to have the Winnipeg grain exchange closed.

Hon. JAMES A. MacKINNON (Minister of Trade and Commerce): I shall accept this as a notice and make a statement to the house to-morrow.

Mr. PERLEY: I think the matter is of sufficient importance to warrant an answer to parliament to-day.

ENEMY ALIENS

REPORTED ARRIVAL AT QUEBEC OF GROUPS OF GERMANS WITH BRITISH PASSPORTS

On the orders of the day:

Mr. W. P. MULOCK (York North): Mr. Speaker, I should like to direct a question to the Minister of Mines and Resources (Mr. Crerar). Has his attention been called to a report in the *Globe and Mail* of to-day which states "Ship passengers are angry as 50 Germans reach Quebec." The article is as follows:

More than 50 Germans, all of whom were born in Germany, but now hold British passports, were among the passengers arriving in Quebec to-day from overseas. Most of them, it is believed, are en route to the United States.

I should like to ask if this newspaper report is correct and if any of these Germans are remaining in Canada. If so, what is going to be done with them?

Hon. T. A. CRERAR (Minister of Mines and Resources): Mr. Speaker, it will not be difficult to answer this question. My attention was drawn to this matter just a few moments before I came into the chamber. Officials of the immigration department had seen this dispatch, I believe in the Toronto *Globe and Mail*, and immediately made inquiry of the officials at Quebec. The story is entirely inaccurate and without foundation in fact. There were three refugees with American visas who disembarked from the ship, and they are on their way to the United States. That is all the foundation there is for this story. While I am on my feet may I suggest that newspaper stories of this kind going out to the country naturally have a disturbing effect upon the people. I have no doubt that within the next twenty-four hours I shall receive several telegrams and letters protesting against it. Such stories result in taking up the time of the officials of the department, including myself. There is not a shadow or shred of foundation for this story.

BRITISH COLUMBIA—REVIEW OF DEFENCE OF CANADA REGULATIONS SINCE SEPTEMBER, 1939—STATEMENT OF MINISTER OF JUSTICE

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I should like to ask the Minister of Justice (Mr. Lapointe) what action is being taken in connection with enemy aliens who are now resident in the lower mainland of British Columbia, particularly in the locality where the entire power production of British Columbia is developed and in the area where the oil refineries are located. In those particular areas there are now located approximately 25,000 Japanese. I should like to ask also if Japanese in these areas are still allowed to have powder.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, the hon. gentleman handed me a telegram, I believe on Friday, which he had received from the secretary of the Fraser Valley Mayor and Reeves Association of British Columbia. I communicated the telegram to the committee officials who are cooperating and helping me in this matter, and perhaps I cannot do better than read the memorandum they have given me about it. The secretary of the Fraser Valley Mayor and Reeves Association for British Columbia telegraphed me as follows:

> Mayors and reeves representing sixteen municipalities Fraser Valley passed following resolution: That the dominion of Canada do forthwith intern all enemy aliens and investigate all persons alien origin whether naturalized or not; further that all arms, ammunition and explosives be confiscated forthwith. This matter urgent owing to large percentage of enemy aliens resident in British Columbia who are openly showing their anti-British sympathies. Immediate action is necessary and the seriousness of fifth column activities brought to the attention of authorities.

With regard to the first part of the resolution, many such resolutions were forwarded to me from all parts of the dominion and as a result I instructed the committee on enemy aliens to review the defence of Canada regulations dealing with enemy aliens in the light of the experience obtained of nearly nine months of war and having regard to these representations. The committee's report is as follows:

> The most important question which was considered by the committee was a suggestion that all enemy aliens in Canada of military age should be interned. After a careful discussion, the committee unanimously reached the conclusion that it could not at present recommend the internment of all enemy aliens in Canada of military age. The reasons which led the members of the committee to this conclusion may be summarized as follows:
>
> 1. The necessity, in the public interest, of this step was not at present apparent. The police authorities intimated that alien enemies had been registered under regulation 25 and that they were satisfied that they had reasonably sufficient information concerning those alien enemies not presently interned whose conduct seemed to require quiet investigation and observation.
>
> 2. Very large expense would be involved in guarding and maintaining internment camps and providing for the dependent families of the 16,000 enemy aliens now registered and reporting to the police.

May I add in passing that many have suggested that all persons of German origin or German descent, whether naturalized or not, should be interned. That would mean the internment of 495,000 persons.

> 3. It was realized that of the 16,000 enemy aliens presently registered and reporting, there were many who, while technically enemy aliens, by reason of birth or citizenship in Czechoslovakia, or other districts now occupied by the enemy, did not adhere in sympathy to the cause of the enemy.
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> 4. It was further recognized that many of the alien enemies lived on remote farms, in isolated districts, where possibilities of sabotage or civil disorder were practically negligible.

On the other hand, the committee recognized that the situation might change and is of the opinion that it is very desirable that the police authorities should not in any way relax their vigilance.

With regard to the suggestion that the police investigate all persons of alien origin whether naturalized or not, the answer to this is that the police have been investigating such persons and watching their activities for some time. Quite a number of such persons were arrested at the outbreak of war. As additional information is received, or where the police have reasonable grounds to suspect that activities prejudicial to the interests or safety of the state are being carried on, further arrests will be made.

With regard to the suggestion that all arms, ammunition and explosives be confiscated forthwith, it should be pointed out that on the 11th day of October, 1939, P.C. 3042 was passed prohibiting the possession of firearms or any ammunition therefor or of any dynamite, gunpowder or other dangerous explosive by any enemy alien.

The said order further provided that every such person within Canada having in his possession or upon his premises any firearm or any ammunition therefor or any dynamite, gunpowder or other dangerous explosive, should, within ten days from the publication of the order in the *Canada Gazette*, that is ten days from the 21st day of October, 1939, cause such firearm, ammunition, dynamite, gunpowder or other dangerous explosive to be delivered to a justice of the peace residing, or to an officer or constable of a police force of a province or city in or near the locality where such firearm, ammunition, dynamite, gunpowder or other dangerous explosive is had in possession or to an officer or constable of the Royal Canadian Mounted Police.

This order further provides that if any enemy alien within Canada is reasonably suspected of having in his possession or upon his premises any firearm or ammunition therefor, dynamite, gunpowder or other dangerous explosive, he may be searched or his premises or any place occupied or believed to be occupied by him may be searched by any peace officer or by any officer or constable of the Royal Canadian Mounted Police without warrant, and if any such articles be found upon the person or premises of any such enemy alien or in any premises occupied or believed to be occupied by him, the same shall be seized and the property forfeited to the crown; and further, the person upon whom or upon whose premises any such article is found shall further be liable to a penalty not exceeding $500 or to imprisonment for any term not exceeding three months.

[Mr. E. Lapointe.]

The order further provides that it is an offence for any person to give, sell, hire, lease or transfer possession of any firearm, ammunition, dynamite, gunpowder or other dangerous explosive to an enemy alien, and any person so doing shall be guilty of an offence and liable to a penalty not exceeding $100 or to imprisonment for any term not exceeding one month.

The order further provides that if any question arises under the order with reference to anything done or proposed to be done thereunder as to whether any person is an enemy alien, the onus of proof that any person so suspected or charged is not an enemy alien shall lie upon the accused in such proceeding.

The Royal Canadian Mounted Police report that the provisions of this order have been carried out. Any persons having information to the effect that enemy aliens are in possession of any of the articles mentioned in the said order should report the facts to a peace officer or officer of the Royal Canadian Mounted Police.

With regard to the statement that a large percentage of enemy aliens resident in British Columbia are openly showing their anti-British sympathies, it should be pointed out that cases of this nature should be reported to the police.

It is a great disservice to Canada and the allied cause to spread stories that Canada is filled with enemy agents and enemy sympathizers. We have never believed that Canada, before the outbreak of war, was free from nazi sympathizers. There were some here as there were in every country. The government knew about them, and the Royal Canadian Mounted Police knew about them too. Where it was thought necessary, they were placed in internment camps after the police rounded them up at the outbreak of war. The Royal Canadian Mounted Police, who have a uniformed strength of 2,450—by the way, this strength will be increased by 500 additional men—and their secret service are in control of the situation, and have built up an organization which keeps constant watch over the activities of subversive elements throughout the country. It is obviously not in the public interest, and would, in fact, be giving useful information to the enemy, to give details of the preventive and counter-espionage measures which have been and are being taken by the police.

All enemy aliens in Canada have been registered, examined and fingerprinted. People have been writing to urge: Why don't you do as they do in the United States, have them fingerprinted? We fingerprinted them long before the United States did.

Those who are believed to be a source of danger to this country in war-time are being interned. Those who are not interned are all known to the authorities and their activities are closely watched by the police. Naturalized Canadians of enemy origin whose activities cast doubt on the loyalty they have sworn to this country are being investigated. When the results of the investigation warrant it their naturalization certificates will be revoked with a view to their eventual deportation. Pending such action, naturalized Canadians in this category are liable to internment in the same way as enemy aliens.

The public must rely on the Royal Canadian Mounted Police and other police authorities who are collaborating closely with them to do what is necessary to safeguard the country against the activities of the "enemy within". It will be nothing but a clear sign of unjustified alarm and weakness if arbitrary and indiscriminate action is taken to harass a small minority of persons in this country, most of whom are loyal to Canada and the allied cause.

As an added precaution against sabotage, from which, thanks to splendid police work, we have so far been free—after many months of war there have been no complaints that the precautions have not been effective; there has been no actual case of sabotage—the government has announced that a home guard to be composed of veterans will be formed. This action has been taken to meet the needs of war as they arise. I should, however, like to emphasize the fact that every unnecessary man and dollar engaged in work of this kind is a man and a dollar taken away from the winning of the war.

No punishment is too severe for those who, living within our shores, seek to give comfort to the enemy. But let us be careful not to mistake for pro-Germans, persons who have German names and German descent. Most of them came to Canada to escape the Prussian yoke. The overwhelming majority are passionately anti-nazi. Any persecution of racial minorities in this country, as I said the other day, is unworthy of our people, and a betrayal of our traditions, our national spirit and the very freedom we are fighting to preserve. Nothing the ordinary Canadian can do will help the nazis more than the spreading of rumours and creation of suspicions which set race against race and class against class. The nazis, of course, want to spread division and dissension in Canada, to destroy our unity and cripple our war effort. This is a well known nazi tactic which already has worked to divide and weaken by mutual distrust the small countries of Europe.

The so-called "fifth column" is being dealt with by the police and the authorized military guards. They are on the job; they know their business. If any citizen has evidence of what he thinks are enemy activities he should report it at once to the police, but he should not mention it to his neighbour. Remember that secrecy is essential to police work of this kind.

May I say in conclusion that it is necessary, indeed it is imperative, that we in Canada maintain our calmness, do not become unduly nervous and restless, and more particularly do not spread wild rumours which can only hamper the work of the police. I wish I felt at liberty to repeat what the police officers tell me about those who are hampering their work the most at the present time. We must, all of us, try to help, but not spread suspicions which are unwarranted and which can only handicap the progress of our war work.

Mr. STIRLING: May I ask the Minister of Justice one question in connection with the statement he has just made? He referred to 16,000 enemy aliens.

Mr. LAPOINTE (Quebec East): Who are registered.

Mr. STIRLING: Included in that number are there any naturalized Canadians?

Mr. LAPOINTE (Quebec East): No. All those are not naturalized.

VETERANS HOME GUARDS

INQUIRY AS TO ESTABLISHMENT OF UNIT IN MILITARY DISTRICT NO. 2

On the orders of the day:

Mr. J. H. HARRIS (Danforth): Can the Minister of National Defence (Mr. Rogers) tell the house when the veterans home guard for military district No. 2 will be established, and the name of the senior officer who will be in charge of the organization of it?

Hon. NORMAN McL. ROGERS (Minister of National Defence): I shall be very glad to take note of the question and to supply the hon. member with the information when it becomes available.

BEAUHARNOIS POWER COMPANY

PROPOSED APPROVAL FOR DIVERSION OF ADDITIONAL 30,000 CUBIC SECOND FEET

Hon. C. D. HOWE (Minister of Transport) moved the third reading of Bill No. 9, respecting the Beauharnois Light, Heat and Power Company.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, on Friday, when this matter was before the house, we urged that the application

should be referred to the standing committee on railways, canals and telegraph lines; and we are still urging that that procedure should be followed before this bill is given its final reading.

At the outset, when this company endeavoured to get permission to divert a large amount of water from the St. Lawrence river through the Beauharnois canal, they applied for permission to divert all the water from the river, and after vigorous protests in this house and across the country they amended their application so that it provided for the diversion of 40,000 cubic feet per second. I was looking up the debate which led to the investigation into the granting of the right to this company, and I find that on May 19, 1931, Mr. Robert Gardiner, who was then the member for Acadia, said this:

> Their lease,—
>
> The lease which they obtained from the government.
>
> —size of their canal, the order in council, their plans filed, all absolutely limit them to a diversion of 40,000 cubic feet per second.
>
> Does this lease and the order in council represent the honest and real intentions of those concerned? Was it an honest transaction? What are the real facts? Scarcely had the ink dried on this order in council when these very same promoters proceeded to violate not only the letter but the very spirit of the provincial lease and of the order in council. They prepared plans that provided for the diversion of the whole flow of the river; they sold their bonds on the representation that they would eventually get the whole flow; and they are now building without authority a canal which will take the whole flow of the river. Further, they have acquired 13,000 cubic feet from the Montreal Cottons. To add insult to injury, they have secured this past winter 30,000 additional cubic feet from Quebec, and are awaiting a favourable opportunity to ask for another order in council from this government.
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> It is apparent the then government and these Beauharnois promoters entered into an agreement which they never intended should be carried out.

I quote that because we have before us the application to which Mr. Gardiner referred in 1931 and which he contended at that time was intended further to facilitate the taking over of the entire flow of the river and the building up of a great power concern which would have a stranglehold on the province of Quebec and the electric power generated by the St. Lawrence river.

To-day, of course, we are told that under the pressure of war conditions an additional amount of diversion is warranted and is necessary. I think that that is a point into which the committee should inquire very closely, because my information differs from the representation of the company in that regard. Are they to-day using the limit of the power they can generate through a diversion of the 53,000 cubic feet per second already granted; and in reality are we dealing now with the Beauharnois corporation, or are we really dealing with a subsidiary of Montreal Light, Heat and Power Consolidated, which, I am also told, is exporting power to the United States?

I want for a few moments to look at the record of the Beauharnois company during the past few years, in order that I may give the house some reasons why I think we should thoroughly investigate this application.

In 1937 the authorized number of capital shares of the Beauharnois corporation was 762,000, all the shares having been issued. Official reports state that this company at that time was already entirely controlled by Montreal Light, Heat and Power Consolidated, which means of course that the latter company must have held more than half the shares, or at least 381,001 of them.

In 1938—this was mentioned in the house at the time—the company was reorganized financially; the authorized capital was increased to 1,431,559 shares. The Montreal Light, Heat and Power Consolidated took 579,559 of the additional shares, which if my first figure is correct, gave it a minimum total of about 960,560 shares. It does not appear that at that time the increased capital was made necessary by any business expansion. At that time the Montreal Light, Heat and Power Consolidated was, it would seem, its principal creditor as well as its principal customer. In 1938 Beauharnois transferred all its physical assets to Montreal Light, Heat and Power, and they appeared on the balance sheet of that company; a fact which was at the same time stated authoritatively, in spite of some denials that appeared in the press.

I think we are interested also in the question whether the Montreal Light, Heat and Power Consolidated was the principal if not the only shareholder of the company at that time, as well as its principal creditor and principal customer, and if as a matter of fact it was the owner of all of the assets of the Beauharnois company.

On Friday last the hon. member for Davenport (Mr. MacNicol) raised some question as to this application and this bill. He stated that the maximum capacity of the installation with the present diversion of 53,000 cubic feet per second is 400,000 horse-power. I understand that the reports of the company state the present capacity to be some 500,000 horse-power, of which 400,000 is now being produced.

The company to-day has certain contracts. In order to see whether the application now being made to parliament is valid and whether the additional diversion is warranted by the amount of power necessary for war and other purposes, we should see what those contracts are. The company at the moment is obligated to supply the following: To the Montreal Light, Heat and Power Consolidated, 150,000 horse-power; to the Ontario Hydro-Electric Power Commission, 125,000 horse-power.

In connection with the latter figure account must be taken of the fact that in 1941 they will have to supply the Ontario hydro-electric power commission with an additional 25,000 horse-power, bringing the amount up to 150,000; in 1942 under the same contract the amount will have to be increased to 200,000 horse-power, and in 1943 to 225,000 horse-power. No further increases are foreseen until 1976. If these figures are correct, as I have every reason to believe they are, this means that they have a total of 375,000 horse-power contracted for from 1943 and following years. This leaves, according to the company's own statement, a margin of 125,000 horse-power. Why, then, are they asking for more water to produce another substantial increase of power when following 1943 they will have a surplus of 125,000 horse-power?

The question was raised on Friday whether the company is exporting power to the United States. We are told that the company itself is not exporting power to the United States, and I believe that statement is correct. But the Ontario hydro-electric power commission is taking a substantial amount of power from Beauharnois, and some of that may be exported to the United States. The Montreal Light, Heat and Power Consolidated is exporting power to the United States. In 1935—I have not the figures subsequently; there may be some alteration one way or the other—the Montreal Light, Heat and Power Consolidated exported to the United States 696,641,320 kilowatt hours, which at that time was about 22 per cent of its production. I am also told that on this power exported the company takes a substantial loss. Of course the argument may be raised that this is surplus power and that if a large amount of power is generated other than that exported it can be sold at a cheaper rate to other classes of consumers. But does it work out that way in actual practice? I am informed, and believe the information is correct, that Montreal Light, Heat and Power Consolidated sells its electric energy at the following average prices:

Domestic current, 2.99 cents per kilowatt hour, or $195 per horse-power year. The commercial rate I am told is 2·8 cents, or $183 per horse-power year. The general rate is 1·1 cent or $76 per horse-power year, and the export rate is 1·23 mills per kilowatt hour, or $8 per horse-power year. I am told also that certain classes of favoured consumers benefit by a special rate which, if higher at all, is not much higher than the low export rate charged.

It seems to me one of the first obligations of this house to the people of Canada is to see to it that our people get services such as this, originating in our great natural resources, at prices as low and reasonable as possible. If these figures are correct, as I have every reason to believe them to be—and that is why I think this matter should go before the committee—there is an enormous difference between the rates for the two types of power, the difference between the export rate of $8 and the top domestic current rate of $195. The people of Quebec and the people of Canada ought to receive the benefit of this great Canadian natural resource; and our principal objection to all bills of this description is that we are constantly alienating our resources to powerful corporations who are monopolistic in their character and ownership and who charge the public much higher rates than are warranted if we take into consideration the output and the rates which ought to be given to the domestic consumer.

Again, if we examine the cost of production per horse-power, according to the records of the company itself, we find that figure, all costs included, to be about 4 mills per kilowatt hour. That is the figure for Montreal Light, Heat and Power Consolidated; but the average cost for the Beauharnois plant is 2·1 mills per kilowatt hour, or about half the average of the whole of the corporation's power plants.

In view of these facts and the circumstances surrounding the granting of the original charter I am of opinion that the government would be well advised to accept the suggestion I offered on Friday and have the whole matter referred to a committee, where we could get the technical and other advice we require. If we accept the statements the company has been making in its literature for the last ten years, we find that it can generate some 500,000 horse-power from the 53,000 cubic feet per second now diverted from the St. Lawrence through the Beauharnois canal. That being so, as I have indicated already, from 1943 to 1976 they will have a surplus of some 125,000 horse-power with which to assist the greater industrial development of this country.

I want to emphasize that we are creating great power monopolies in Canada, and there is no greater power monopoly in this country to-day than Montreal Light, Heat and Power Consolidated, which has subsidiaries here and

there across the country. I think we should know that Montreal Light, Heat and Power Consolidated and the Beauharnois company are almost identical as far as their officers go. The chairman of the board of Montreal Light, Heat and Power and of Beauharnois is the same, Sir Herbert Holt. The president of the two companies is the same, Mr. J. S. Norris. The vice-presidents are the same, Mr. G. H. Montgomery, Mr. C. S. Bagg, Mr. Severe Godin and Mr. R. A. C. Henry. Mr. Henry, of course, is the gentleman who to-day is on the executive of our war purchasing board and who was deputy minister at the time the original agreement was made with the Beauharnois company. The secretary is the same, Mr. C. C. Parkes. The assistant secretary is the same, Mr. W. R. McLeod. The treasurer is the same, Mr. P. C. Drake. The assistant treasurer is the same, Mr. A. M. Ste-Marie. Finally, they have the same manager, Mr. C. S. Bagg, and the same offices in the Power building on Craig street in the city of Montreal.

I submit, Mr. Speaker, that we should bear in mind the circumstances which surrounded the original application, and the fact that as far back as 1931, when Mr. Robert Gardiner made his charges in the house which resulted in the investigation, the company planned to obtain an additional diversion of 30,000 cubic feet per second. To-day, nine years later, we have the foreshadowed and identical application before us. In laying out its plans originally the company constructed a canal sufficiently large to take the entire flow of the St. Lawrence river. I know it is said that to-day that canal is an asset of this dominion. It was a year or two after the parliamentary investigation and report that a statute was passed by this parliament taking over the canal as a work of public importance.

The other evening the Minister of Transport (Mr. Howe) told us that the additional power was required because of the war. Well, we are being asked to grant this diversion not for the duration of the war but for all time, in perpetuity; and we should beware lest the war necessity of this country is used as an excuse by which this private corporation may further its original plan to obtain control of the entire flow of the St. Lawrence river. That is our obligation to this country. I do not know what figures have been given the minister by the company to substantiate their claim that more power is required due to war industry expansion. I understand that one large munitions plant is being constructed at Sorel by the Schneider-Creusot company. I understand further that in its last annual report the Shawinigan power company mentions this plant as a possible customer and foresees an initial demand for further power to the extent of about 4,000 horse-power.

These are some of the considerations which impelled me to rise and to suggest to the house that before the bill be given its third reading, and before this resource be alienated in perpetuity, we ought, in the interests of the people of Canada, to inquire very carefully into both the application and the terms of the bill. I am not going to rake up the old scandal about Beauharnois. Every hon. member knows that at least to some extent that brought about, shall we say, a reprimand of the government of the day, and we know the Prime Minister stated that the Liberal party went into the valley of humiliation.

In view of the position taken at that time and the fact that the application now before us is for the very amount of power that Mr. Robert Gardiner indicated would be sought in the future, I suggest that we ought to beware of this application and inquire into it very carefully indeed. I am not going to refer to the report of the Beauharnois committee presented to the house, which, as the record shows, represented the unanimous opinion of the committee which sat at that time, but I do—

Mr. RALSTON: If my hon. friend will permit me, he has heard more than once my colleague the Minister of Pensions and National Health (Mr. Mackenzie) say that he did not concur in that report. My hon. friend may tell us what the record shows, but he must have heard the minister say on several occasions that he did not concur in it.

Mr. COLDWELL: I should like to have that point cleared up, because the minutes of the proceedings of the committee state this:

The committee resumed at 2.15 p.m.

Members present: Messrs. Dorion, Fiset (Sir Eugène), Gardiner, Gordon, Jacobs, Jones, Lennox, Mackenzie (Vancouver Centre), Stewart (Lethbridge).

On motion of Mr. Lennox,—

Ordered that,

(1) Counsel for the committee;

(2) The secretary to Mr. White, K.C., of counsel for the committee; and

(3) The auditors employed by the committee, be retained until the committee's final report is disposed of by the House of Commons.

On motion of Sir Eugène Fiset,—

Certain moneys were ordered paid. And then:

The committee resumed consideration of the draft report submitted by the chairman.

It was unanimously agreed that the following be presented to the House of Commons as a fourth report, viz:—

And then comes the report of the committee, as finally adopted in the house.

Mr. RALSTON: And is it signed?

Mr. COLDWELL: Yes; I believe it is signed by the chairman.

Mr. RALSTON: The Hon. Mr. Gordon?

Mr. COLDWELL: It is signed by John T. Dun, clerk of the committee.

Mr. DOUGLAS (Weyburn): He must have demurred mentally.

Mr. COLDWELL: In view of these considerations, and of the fact that it is the obligation of this parliament to protect the people of Canada both now and in the future, it is our contention that this bill and the matters connected therewith should be referred back to the committee of the whole. I move, therefore, seconded by Mr. MacInnis:

That the bill be not now read a third time, but that it be referred back to the committee of the whole with a view to further amendment.

Mr. HOWE: I am not a parliamentary expert, but it seems to me that the amendment is not in order, in that the motion should be that the bill be referred back to the committee with certain instructions. The reference back should include some specific direction to the committee.

Mr. LAPOINTE (Quebec East): There must be an instruction.

Mr. SPEAKER: This amendment is moved under standing order 77, which states:

All amendments made in committee are reported by the chairman to the house, which shall receive the same forthwith. After report the bill is open to debate and amendment, before it is ordered for a third reading. But when a bill is reported without amendment, it is forthwith ordered to be read a third time at such time as may be appointed by the house.

Paragraph 813 of Beauchesne's Parliamentary Rules and Forms states the following:

When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular. The motion for third reading is debatable under standing order 38.

The amendment we now have before us is in conformity with that requirement, and moves that the bill be not now read a third time but that it be referred back to the committee of the whole with a view to further amendment. In my opinion the amendment is in order. Is the house ready for the question?

Mr. LAPOINTE (Quebec East): But there is no instruction.

Mr. COLDWELL: I understand Mr. Speaker's ruling has been given.

Mr. SPEAKER: Order. I am now informed that the bill was not amended at any time, and it is drawn to my attention that the motion to refer back asks "that the bill be not now read a third time, but that it be referred back to the committee of the whole with a view to further amendment." There is no "further amendment," because there was no amendment to the bill as it stood. That of course alters the opinion I have already given. It cannot be further amended when it has not already been amended; therefore in that regard the motion is not in order.

Mr. MacINNIS: I refer again to paragraph 813, to which reference has already been made:

When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular.

And then it continues:

The motion for third reading is debatable under standing order 38. Or the bill may then be ordered to be reprinted or committed to a select committee. Bills may be re-committed a number of times with or without limitation; in the latter case, the whole bill is opened to reconsideration, but in the former case the committee can only consider the clause or amendments or instructions referred to them.

Then we turn to page 217, and refer to paragraph 755.

Mr. LAPOINTE (Quebec East): But that is not a rule.

Mr. MacINNIS: It is as follows:

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—

May I point out in passing that paragraph 814 states that what can be done on second reading can also be done on third reading. The paragraph continues:

—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 the circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees. . . .

This amendment is for the purpose of seeking further information in committee; consequently I think it is strictly in accordance with Beauchesne's Parliamentary Rules and Forms.

Mr. SPEAKER: The hon. gentleman has referred to the amendment, but he has not stated just what it says. When I gave my

opinion in the first instance I was not aware of the fact that there had been no amendment in committee of the whole when this bill was being considered. Having had that brought to my attention, and since the amendment seeks to refer the bill back "with a view to further amendment," it would appear that there cannot be a further amendment of something that has not already been amended. Therefore, in my opinion the amendment is not in order.

Mr. DOUGLAS (Weyburn): Mr. Speaker—

Mr. SPEAKER: I am afraid I shall have to call the attention of the house to the fact that my ruling is not debatable.

Mr. DOUGLAS (Weyburn): I was not about to debate Your Honour's ruling. I am assuming the amendment has been ruled out of order and I rise for the purpose of proposing an amendment which may be in order in view of the statement which Your Honour has just made. I move:

That the bill be not now read a third time but that it be referred back to the committee of the whole with a view to amending it.

Mr. LAPOINTE (Quebec East): Mr. Speaker, before you give your ruling I should like to draw attention to standing order 77, which reads:

All amendments made in committee are reported by the chairman to the house, which shall receive the same forthwith. After report the bill is open to debate and amendment, before it is ordered for a third reading. But when a bill is reported without amendment, it is forthwith ordered to be read a third time at such time as may be appointed by the house.

Paragraph 808 reads:

Upon the report stage of any bill no amendment may be proposed which could not have been proposed in committee without an instruction from the house.

My experience in parliament has been that where an amendment of this kind is moved on the third reading of a bill it must contain formal instructions to the committee of the whole that it should be amended in a certain way. It was not merely a motion to refer the bill back without saying why it was being sent back.

Mr. HANSON (York-Sunbury): Mr. Speaker, without desiring in any way to restrict debate by or action on the part of hon. gentlemen to my left, I must say that the Minister of Justice (Mr. Lapointe) has interpreted the rule as I have understood it for many years, that on the motion for third reading of a bill an amendment to refer it back to the committee of the whole must contain instructions. I am not sure that the wording of the rule is a happy one. It states that it shall be "for the purpose of amending it in any particular," but perhaps a better wording would be "for the purpose of amending it in some particular," or "in a certain particular." I am inclined to the belief that your ruling, sir, in the first instance was wrong, but that your present ruling is correct.

Mr. SPEAKER: I direct the attention of hon. members to page 529 of Bourinot, which reads:

Bills may be recommitted a number of times to the committee of the whole or to a special committee. Bills may be recommitted with or without limitation; in the latter case the whole bill is open to reconsideration but in the former case the committee can only consider the clauses or amendments or instructions referred to them.

In my opinion the amendment as now put is in order.

Hon. C. D. HOWE (Minister of Transport): Mr. Speaker, certain reasons have been given by my hon. friend (Mr. Coldwell) for reopening the case. He has stated that in his opinion there is evidence to show that the Beauharnois Light, Heat and Power Company is within the orbit or under the influence of Montreal Light, Heat and Power Consolidated. While I am not certain, I think I stated in my previous argument that the Beauharnois Light, Heat and Power Company has been a wholly-owned subsidiary of Montreal Light, Heat and Power since 1932. Therefore it seems to me that no new evidence can be produced in that regard.

My hon. friend also discussed prices of power. He said that in one instance power had been sold for $8 per horse-power while in another case a charge of $195 per horse-power was made. This shows the futility of laymen discussing the price of power; there are so many factors entering into the matter. Eight dollars per horse-power may be a reasonable charge for high tension power measured at a switch-board, while $195 per horse-power may be a reasonable price to charge for power sold at 110 volts in some remote area where the cost of transmission and providing a transformer system has a considerable bearing on the delivered cost.

The Hydro-Electric Power Commission of Ontario is a publicly owned institution which undertakes to sell power at cost. If anything, I think, they lean backward in order to charge the small user a lower price than that charged to the large user—I mean a lower price having in mind all the elements of cost. Many times as a consulting engineer in private practice I have had occasion to negotiate contracts with the Ontario Hydro-Electric Power Commission, and the analyses

I have made lead me to believe that this is the case. It may not be intentional but I think it is their usual feeling toward the small man as compared to the large user. I think almost as wide discrepancies in sales of power in dollars will be found in the rates of the Ontario hydro-electric commission. The fact that there may be a discussion of the cost of power is to me one reason why this bill should not be referred back to the committee. In the province of Quebec the amounts charged for power are under the jurisdiction of the provincial authorities. These charges are regulated by the Quebec provincial electricity board which is composed of technical experts.

Mr. HOMUTH: Do they set rates?

Mr. HOWE: They regulate rates. They function in the direction of regulation much the same as the Ontario hydro-electric commission functions in the generation and sale of power. Laymen could argue for a long time whether one rate was comparable with another, but if ever there was a technical problem, the question of rates for the sale of power is one which ought to be dealt with by people who know a great deal about the power industry.

It is true, as my hon. friend said, that a lease from the province of Quebec for an additional 30,000 cubic feet per second was granted in 1931. It is also true that it was not until 1940 that this government saw fit to ask parliament to grant this diversion of an additional quantity of water. As I have said, we have had before us for at least eighteen months an application from this company asking for this extra diversion. Up until a short time ago it was not apparent that there was a need for additional power in that area and that it would be in the public interest to grant the diversion. But to-day there is ample evidence that the prosecution of the war and the furnishing by Canada of munitions supplies will be greatly hampered unless additional power can be made available. My hon. friend in his remarks mentioned the munitions plant at Sorel as a factor in this situation. As a matter of fact that particular plant is not a factor in this situation because it happens to be supplied by the Shawinigan company and the Shawinigan problem is a separate problem from the Montreal Light, Heat and Power problem.

We are breaking ground at the present time for an explosives plant in the Montreal area which will depend for operation upon being able to contract for 12,000 horse-power. We are placing other contracts in the Montreal area, all having to do directly with the supply of munitions, which will also call for sizable blocks of power. An alloys plant served by Beauharnois which at the beginning of the war was using 10,000 horse-power, is now using 30,000 horse-power, and has applied for an extension of its contract up to 40,000 horse-power.

Mr. BLACKMORE: Is there no other establishment in Canada equipped to produce the particular kind of munitions which it is proposed to manufacture as a result of the use of this power? Are there no other concerns in Canada able to produce such explosives, alloys and other things as are to be produced in Montreal?

Mr. HOWE: The situation in Montreal is the key to the situation throughout the industrial area of central Canada. I know of no plant to-day which could take on contracts in any quantity calling for 12,000 horse-power. The Ontario hydro-electric power commission I know is very short of power. We are selling them a block of power from the excess water on the Welland canal and they are pressing us to send over every drop of water that we can in that locality to prevent them from having to limit the amount of power in the area served by them.

Mr. MacNICOL: Do you mean to develop the power at Decew Falls?

Mr. HOWE: Yes.

Mr. BLACKMORE: Is it impossible to manufacture these munitions from another source of power? Is there no source of energy which can be used elsewhere in Canada?

Mr. HOWE: The production of explosives, particularly nitrocellulose, calls for hydro power. My hon friend is perhaps suggesting that we can generate power from coal or something of that sort.

Mr. BLACKMORE: Or from natural gas.

Mr. HOWE: It was my understanding that power in mechanical form was required and it was my understanding that it would be required to convert the coal or the gas into electric energy to do this particular job. I am not a technical expert in the manufacture of explosives, but the power is required not for heat but for mechanical energy.

Mr. BLACKMORE: In view of all these aspects is there not good reason to submit the bill to a committee to determine these matters upon which as individuals we are perhaps not qualified to judge?

Mr. HOWE: Perhaps I might illustrate the need for power by reading a letter—it is not marked confidential and I think it is therefore in order to read it—from the Hydro-Electric Power Commission of Ontario, signed

by the chairman, T. H. Hogg, to J. S. Norris, president of Montreal Light, Heat and Power Consolidated, and dated November 18, 1939:

Dear Mr. Norris:

The commission is making a very thorough canvass of power resources in southern Ontario available to meet any growth in load that may occur over a period of five or six years. Naturally the ordinary uncertainties in the growth of power demand are greatly aggravated by the much greater uncertainties attributable to possible war activity and we are therefore anxious to make the widest possible canvass of possibilities.

Among other sources of supply, I have naturally considered Beauharnois and although I understand that you have already contracted for the full output that can be developed from the water which you are now permitted to use, I would be interested to have from you an expression of opinion as to the possibility of supplying the commission additional power. In answering, you might bear in mind that the commission is primarily concerned with the demands that may arise during the progress of the war.

To that Mr. Norris replied under date of November 24, 1939:

Dear Dr. Hogg:

Replying to your letter of November 18 instant, I regret to say that having regard to existing contracts with your commission and others and our available water supply, we have sold the complete productive capacity of our Beauharnois plant and, consequently, cannot supply any additional power to your commission from that or any other source unless and until we obtain federal approval of our pending application for the diversion of additional water.

If we obtain approval, as above, for the diversion of additional water within a reasonable time we would be in a position to furnish additional power to your commission, as asked, and will be very happy to negotiate with your commission to this end as, if and when the right of diversion of additional water is granted.

That is an indication that Beauharnois has no unsold power at present.

Mr. COLDWELL: What figures do they give to substantiate that statement?

Mr. HOWE: I have figures here of the present power resources of Montreal Light, Heat and Power and its subsidiary or controlled companies, together with the actual consumer demand:

Resources	H.P.
Beauharnois	400,000
Chambly	6,000
Cedars	133,000

Mr. MacNICOL: Do they not divert enough water at Cedars to develop 225,000 horse-power?

Mr. HOWE: No; 133,000 is the only figure I have ever seen for consideration.

Mr. MacNICOL: I have seen 225,000.

[Mr. Howe.]

Mr. HOWE: I think their lease is for only about 130,000.

Resources	H.P.
Montreal Island Power Company	30,000
Canadian Light & Power	15,000
Purchased power (Shawinigan Power)	161,000
Consumer Demand	
Under contract—	
Hydro-Electric Power Commission of Ontario	150,000
Beauharnois and district	50,000
Montreal and district	383,700
Aluminum Company of America	116,800

Mr. COLDWELL: Is that exported?

Mr. HOWE: Yes. I referred to that in my address on the previous day as power generated at Cedars and exported from there to the Aluminum Company of America at Masséna on a contract that has been outstanding, I believe, since before the last war.

So that there is generated by Montreal Light, Heat and Power and all its subsidiaries 745,000 horse-power; and at the time this information was collected, which was November 17, 1939, the total outstanding contracts called for 700,500, leaving a then surplus of 44,500 horse-power.

Mr. HANSON (York-Sunbury): About five per cent?

Mr. HOWE: Yes. And that was several months ago.

Mr. Speaker, I could have brought this application along at previous sessions, certainly at one previous session, but I was not then convinced that this power was actually needed for the benefit of the people of the provinces of Ontario and Quebec. To-day I am satisfied that harm will be done if this readily available power is not made available. I am certain that it will seriously dislocate our present production plans for munitions required in our war effort. I believe that to-day there is no argument which would convince anyone who has taken the time to study the situation that this government is not proceeding wisely in asking this house to vote the third reading of the bill. For this reason I ask that the amendment for recommitting the bill to the committee be defeated.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I do not question for a moment the motives of hon. gentlemen in bringing forward this amendment, but in the circumstances I do not see that it is logical for me, giving the matter reasoned consideration, to vote for the amendment. If they will bring forward constructive views as to the manner in which this bill should be

amended, we will give those views consideration on their merits; but as I understand the present amendment, it is a wide-open invitation to the house to amend the bill. Where it falls down, if I may say so, is that it does not make any concrete suggestion as to the manner in which the bill should be amended. That is one reason why I intend to vote against the amendment. The other reason is this. I have made some investigation into the question of the necessity of further power at this point, and I am convinced that, so far as the amount of power available from the Montreal Light, Heat and Power pool is concerned, they are within five per cent or less of their maximum.

The minister assures us that more power is required in two directions, namely for the Ontario hydro-electric and for the manufacture of munitions at or near the site of the development. I think we should accept this statement, in the absence of any evidence to the contrary. After all, in one aspect, if not altogether, this is a quasi war measure.

I know that the company as presently controlled is quite a different proposition from what it was as promoted. I believe hon. members should distinguish between the situation to-day and what it was in 1931. I do not need to go back into that, but there is certainly a vast difference. This is a business undertaking. You may not like the auspices under which this company is operating. Personally I have no objection to power monopolies if they are properly regulated. I do not know that they are, in the province of Quebec; possibly they are not properly regulated anywhere; but certainly there is a governing body whose duty it is to regulate the question of rates, and the jurisdiction, as I tried to point out last week, is in that provincial body.

The objection, if such it might be termed, that I had to this bill was to the interference with navigation and with navigation rights, because I visualized this company coming back to parliament from time to time, as the demand upon it for power might grow, and asking for the entire diversion of the river St. Lawrence. I should think they would get it from this parliament, if it acts on principle, provided the interests of navigation are conserved.

With respect to the whole power proposition question, jurisdiction over power *qua* power is in the provincial government, whether we like it or not, and whether or not this power is developed as a result of a change in navigation possibilities.

Although this is a government measure, I do not think it is in any sense a political measure; therefore hon. members who are supporting me are entitled to vote on the amendment as they please; but I must vote on some principle in relation to the matter. Until my hon. friends to the left are able to show me in what constructive way they would amend the measure—and I am not introducing anything—I do not see how I can support the amendment.

Mr. ANGUS MacINNIS (Vancouver East): I wish to say only a very few words in connection with this amendment. The leader of the opposition (Mr. Hanson) has just remarked that until we tell him how we want to amend the bill, he cannot see his way clear to vote for the bill.

Mr. HANSON (York-Sunbury): Vote for the amendment.

Mr. MacINNIS: Vote for the amendment—I thank the hon. gentleman for the correction. What we are trying to do by the amendment is to have the bill sent to a committee where we can get information in regard to its implications.

Mr. HANSON (York-Sunbury): I tried to give them to you.

Mr. MacINNIS: The best reason for sending the bill to a special committee was stated by the Minister of Transport (Mr. Howe) a few minutes ago. He said that he could have introduced this bill several years ago but did not do so because he saw no necessity. He says that anyone who had given consideration to the matter would see the necessity for this authority at this time. But we have not the facts the minister may have which would enable us to give consideration to the matter. It is in order that we may know these facts, know what the consequences of our vote will be, that we ask that this bill be referred to the proper committee where an investigation can be had. Ordinarily a bill of this kind might be introduced by a private member. Whether introduced by a private member or by the government, I am sure that in normal times the bill would be referred to the committee to which we suggest that it be referred now. There is no member in the house apart from the Minister of Transport who has any knowledge or understanding of matters involved in this bill; we are asked to vote entirely in the dark. We ask that our amendment be put and carried and the bill referred to the committee.

The minister suggests that this would hold up an essential war service. But this parliament met over two weeks ago; we have waited two weeks to deal with this matter; we could send it to the committee and have

it dealt with in less than two weeks. Surely that is not an unreasonable request, in order to safeguard the interests of the people of Canada.

Mr. J. H. BLACKMORE (Lethbridge): I do not find myself at all impressed by the arguments against the amendment. I do not want in any way to slow up the activity of this country in connection with the war; it is slow enough now. It is a disgrace to the whole British empire that we are so slow. But at the same time we have to be watchful. I am not impressed by the implication which seems to be conveyed by the minister that if for any reason these great power plants in the province of Quebec should be destroyed or should fall into the hands of an enemy, Canada would be unable to produce necessary and vital explosives and so on. While I am not an authority on the different explosives and munitions that are necessary, I venture to suggest there are many places in Canada where these explosives and munitions can be manufactured. Consequently I cannot see that it is of tremendously urgent importance that this bill be rushed through with such haste. We are going to be here for six weeks or so I judge, and I do not think it will impair Canada's war efficiency if we take a little time to do a thing like this properly. A committee should not require a great deal of time, as the hon. member who spoke before me (Mr. MacInnis) pointed out.

I would draw the attention of the house to the fact that the confidence of the Canadian people is severely shaken in regard to everything with which the name Beauharnois is associated. Whether that name is deserving of the discredit attached to it I do not know, but I know that name was a very offensive word in my vocabulary long before I became a member of this parliament. That is another reason why it seems to me the utmost care should be exercised to allay as far as possible this lack of confidence in the public mind.

Furthermore the confidence of the Canadian people in this government is severely shaken. I have not caviled; I believe hon. members of the government will grant that, but I have received resolutions and letters from all parts of Canada indicating an extreme anxiety because of the feeling that this government is not getting on with the job since war was declared. Whether that suspicion is well founded or not, in view of its existence surely it would be a good thing to clear up this water diversion proposal so that everyone will be completely satisfied that all is on the square. I hasten to say to the minister who is piloting this bill through, that I have and have had ever since I came to parliament the highest regard for his integrity; I do not for a moment want him to think that there is any doubt of his sincerity in this matter; but I am talking in general terms and I say that by reason of the lack of confidence which has developed in the aggressiveness and energy of the government, it would be a good thing to avoid contributing to that anxiety by rushing this bill through.

There is another matter that is very important; the hon. member for Rosetown-Biggar (Mr. Coldwell) has put on *Hansard* the names of the gentlemen who are prominent in the companies applying for water power. I do not happen to be acquainted with these gentlemen; I have no knowledge concerning them; but there certainly does not exist among the people with whom I have talked any great confidence in any of those men, probably because of their too close association with the Beauharnois scandal.

Then another matter is exercising the people. I speak purely from the point of view of the morale of this country. We are vitally concerned in having the people of Canada united, confident that the government of Canada is out to win this war and to put everything into our war effort, and that we are not going to be sold out, betrayed, or "sold down the river" as they say across the line. Inasmuch as there is a lack of confidence in a number of these men, I believe this bill ought to go to a committee.

Another matter about which many people are very suspicious is these dollar-a-year men.

An hon. MEMBER: They take the contracts home.

Mr. BLACKMORE: Perhaps all of these men are entirely above reproach, but it is a cause of anxiety all over the west that men who apparently, as far as the public knows, have up to the present time devoted their lives to the pursuit of dollars should suddenly become so magnanimous and unselfish that they offer their services to this country for a dollar a year and out-of-pocket expenses. "Out-of-pocket expenses, et cetera" are generalities into which people can read a great deal of cause for suspicion. This is another reason why in my judgment, we should manoeuvre to put this whole question before a committee that has power to get the facts. I would say that a committee would be the very best way to go about it to revive confidence. I learn that the object of those who move this amendment is simply to put the bill back into committee, from which it can be referred to a special committee of this house which will have power to call witnesses.

One more thing I wish to say probably arises from my general ignorance concerning explosives and munitions. As far as I can judge from news from overseas, what we need above everything else is aeroplanes and bombers, a great many of them, and tanks and armoured cars. Our immediate need is for these. To produce them, this electric energy is not, it seems, to be used. Where is the urgency?

I have not had impressed upon me how great is the need for the particular kind of explosive to which reference is made. If the need is very great, I am impressed by the fact that during the last war we produced a tremendous amount of explosives—so far as I know more than we are producing now—and at that time we did not have this extra power. In consideration of these matters, therefore, I propose to vote for the amendment.

The house divided on the amendment (Mr. Douglas, Weyburn) which was negatived on the following division:

YEAS

Messrs:

Blackmore	Jaques
Brooks	Johnston (Bow River)
Cardiff	Kuhl
Castleden	Lockhart
Cockeram	McGregor
Coldwell	MacInnis
Diefenbaker	Marshall
Douglas (Weyburn)	Nicholson
Esling	Nielsen (Mrs.)
Fair	Perley
Fraser (Peterborough West)	Quelch
	Ross (Souris)
Gillis	Senn
Green	Shaw
Hansell	Stokes
Hatfield	Wright—32.
Hlynka	

NAYS

Messrs:

Adamson	Fleming
Bertrand (Prescott)	Fournier (Hull)
Bertrand (Terrebonne)	Fulford
Black (Cumberland)	Gardiner
Bourget	Gershaw
Bradette	Gibson
Bruce	Golding
Brunelle	Graham
Cardin	Hanson (Skeena)
Casgrain	Hanson (York-Sunbury)
Casselman (Edmonton East)	Harris (Danforth)
Corman	Harris (Grey-Bruce)
Coté	Hazen
Crerar	Henderson
Cruickshank	Homuth
Damude	Howden
d'Anjou	Howe
Dechene	Hurtubise
Donnelly	Ilsley
Douglas (Queens)	King, Mackenzie
Dubois	Kinley
Edwards	Kirk
Evans	Lacroix (Beauce)
LaCroix (Quebec-Montmorency)	Mutch
	Neill
Lalonde	O'Brien
Lapointe (Quebec East)	O'Neill
	Picard
Leader	Poirier
Leger	Pottier
Little	Purdy
Lizotte	Ralston
McCann	Reid
McCulloch	Rennie
MacDiarmid	Ross (Calgary East)
Macdonald (Halifax)	Ross (Hamilton East)
McDonald (Pontiac)	Ross (Middlesex East)
MacGarry	Ross (Moose Jaw)
McGeer	Ross (St. Paul's)
McGibbon	Sanderson
McIlraith	Sissons
McIvor	Slaght
Mackenzie (Vancouver Centre)	Soper
	Stirling
MacKinnon (Edmonton West)	Sylvestre
	Taylor
McKinnon (Kenora-Rainy River)	Telford
	Thorson
McLarty	Tomlinson
MacLean (Cape Breton North-Victoria)	Tremblay
	Tripp
Macmillan	Turgeon
McNiven (Regina City)	Turner
	Veniot
MacNicol	Ward
Matthews	Warren
Mayhew	Whitman
Michaud	Winkler—110.
Mulock	

Motion (Mr. Howe) agreed to and bill read the third time and passed.

FARMERS' CREDITORS

AMENDMENT OF ARRANGEMENT ACT AS TO PROPOSALS FOR COMPOSITION, ETC., IN MANITOBA

Hon. J. L. RALSTON (Minister of Finance) moved the second reading of Bill No. 25, to amend the Farmers' Creditors Arrangement Act, 1934.

Mr. HARRY LEADER (Portage la Prairie): Mr. Speaker, this bill is of peculiar interest to Manitoba. While it is not my intention to offer any extended remarks at this time, I feel I should say something in regard to the measure. I want to commend the goverment for reenacting this legislation which places our province in the same position as it was prior to 1938. We shall now enjoy the same privileges as are enjoyed by our two sister provinces, Alberta and Saskatchewan. The repeal of the act in so far as it affected Manitoba was by means of an amendment proposed by the senate and concurred in by the government. The legislation is not ideal; it has serious defects and limitations. I think the most serious drawback is that no provision is made for the unsecured creditor such as the small store-keeper, the butcher or other private persons who may have helped out a debtor

and received no security. In my province at least, this type of creditor has been overlooked whereas those who had security have been protected to a certain extent.

This legislation was passed in order to keep our farmers on the land, but there are other measures which I think would prove more appropriate. I should like to refer to an act passed unanimously by the Manitoba legislature, known as the land court act. Representations have been made to me to endorse in this house the action of the Manitoba government, and this I promised to do. Answering a question submitted the other evening by the hon. member for Souris (Mr. Ross), I understood the Minister of Finance (Mr .Ralston) to say that it was not the intention of the government to pass enabling legislation this year in support of the provincial act.

Last session this house passed the mortgage bank bill, and we had hopes that that legislation would provide a greater measure of relief than the Farmers' Creditors Arrangement Act and be more equitable for all concerned. But that legislation never came into force. If we are going to keep many of our farmers on the land, it is essential that the Farmers' Creditors Arrangement Act should apply to Manitoba. I should like to suggest to the government that they again press this measure and serve notice on the senate that we do not want any amendment which will nullify its provisions.

Mr. SPEAKER: The hon. member cannot make any reference to what may happen in the other place or refer to instructions to be given by the government.

Mr. LEADER: I do not wish to transgress the rules of the house. Perhaps I can refer to the senate as the other place, as other hon. members have done. It seems to me that if members of the House of Commons, the representatives of the people, cannot name a body, the members of which are not elected by the people but appointed by the government in power, and which has power to nullify any measure passed by this house, then I say that this is democracy at its worst.

Mr. THORSON: You can change the rules if you want to.

Mr. LEADER: I am abiding by the rules. I simply want to reiterate what I said in the first place, that the government deserves commendation for making the provisions of this measure available to the people of Manitoba. I want to say also that the demand to reenact this legislation is endorsed unanimously by the provincial legislature as well as by the federation of agriculture in Manitoba. Above all, it is endorsed by my constituents, and I am offering these remarks in their behalf.

Mr. CRUICKSHANK: I should like to ask the minister if British Columbia is definitely out of this?

Mr. RALSTON: When the bill got into committee I intended to make clear just what provinces this legislation would affect. This matter came up before when we were discussing the resolution in committee. If my hon. friend wants just that one question answered, the act has expired so far as British Columbia is concerned but still applies to soldier settlers there.

Mr. CRUICKSHANK: Will the minister see that British Columbia is reincluded in the act?

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I too would like to commend the minister (Mr. Ralston) for introducing this bill. This is a tacit acknowledgment, long overdue, that the western farmer really does have a debt problem which to him under existing circumstances is insuperable. This debt problem has developed from a number of causes, among which might be named: (1) the variability of prices; (2) the increasing costs of the commodities which the western farmer buys, from agricultural implements all the way down the list of some 147 articles which, according to the Searle index report, have increased in price since 1914 from 100 to 134; (3) an adverse tariff incidence which bears particularly heavily on the three prairie provinces; and (4) increased taxes, federally, provincially and municipally.

The bill is further a tacit acknowledgment that interest rates in the Dominion of Canada are far too high. I fancy the day will come when our descendants will look back on our times in utter amazement that we were so stupid as to be unable to see this years ago. Five per cent is an exorbitant price for money to-day, and many of our farmers are paying far more than that, and our provinces too. Interest rates are far too high on mortgages, loans and bonds, and that is tacitly acknowledged by this bill.

There is a conclusion which must follow, and again it is tacitly admitted, I take it, that the three prairie provinces are as provinces faced with a debt situation which to them is completely insupportable, that they too are paying far too high interest rates, and that they too must be relieved. I shall look forward with increasing interest to the time when the minister, who is manifestly a man

of vision, will show clearly that he recognizes that fact by taking measures to relieve the pressure existing on the provinces as well.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Fournier (Hull) in the chair.

Section 1 agreed to.

On section 2—Compositions.

Mr. ROSS (Souris): Speaking the other evening, I favoured this bill with some reservations. They were exactly as put forward this afternoon by the hon. member for Portage la Prairie (Mr. Leader). My question is with regard to the unsecured creditor. Is it a question simply for the judge who happens to be administering the act to decide, or does the act itself specifically point out that the unsecured creditor is not protected?

Mr. RALSTON: I understand my hon. friend to ask whether the act itself provides that the unsecured creditor must be protected, by which I presume he means given priority?

Mr. ROSS (Souris): No; put on the same basis as the secured creditor. Does that power rest with the judge administering the act?

Mr. RALSTON: My hon. friend will understand that first a proposal is made by the debtor. Then, if the proposal is not approved and not agreed to by the creditors, the board of review formulates a proposal, and in that proposal it may make provision for the unsecured creditor as well as for the secured creditor. I do not think there is in the act anything which gives definite priority to one class of creditors or any direction as to how the respective classes of creditors shall be treated. The important thing about the act—and it is a matter which was the subject of a good deal of litigation—was the question whether we could affect title to land by an act of this kind, having regard to the fact that the secured creditors, where the English law applies, have a title to the land itself, and the question was whether our powers over bankruptcy would affect that security. It was decided by the privy council that the act was intra vires and that that security could be affected.

Mr. HANSELL: We had some little discussion the other day with regard to farmers who come under this act and whose hearings took place about 1935. Might I ask the finance minister if this act means that the farmer who had a hearing prior to, say, 1935 can have a rehearing now?

Mr. RALSTON: No; this does not provide for any additional hearing. What it does do is to remove the bar which exists in Manitoba by virtue of the legislation of two years ago, whereby no proposals were permitted to be submitted after June 30, 1939. This legislation permits proposals to be submitted in Manitoba similarly to proposals made under the provisions with regard to Alberta and Saskatchewan.

Mr. HANSELL: The only conclusion we can reach then is that if a debtor has not been able to meet his payments since the hearing he had in those early days, there is no possibility of any settlement for him except through the courts.

Mr. RALSTON: There is the possibility of settlement by negotiation. But what my hon. friend is suggesting is really an appeal from a proposal which has already been submitted and from a decision which has already been laid down by a board of review. He will understand that if such a provision as that were made, it would have to apply on behalf of the creditor as well. That would mean that all the thousands of cases which have been heard would all be subject to reopening.

Mr. HANSELL: The debtor could then appeal from the previous decision.

Mr. HATFIELD: Can the soldier settler in any part of Canada make application under the act?

Mr. RALSTON: The provisions of the act are still open to soldier settlers in British Columbia, where the act is now cut off so far as other applicants are concerned; also in Alberta and Saskatchewan where the act is in full force with respect to all applicants including soldier settlers. The revival of the act in Manitoba would also, of course, reopen the act to soldier settlers there.

Mr. HATFIELD: Why single out British Columbia?

Mr. RALSTON: Perhaps my hon. friend's question might be put the other way: Why should the soldier settler be cut off in the other provinces? The act was repealed in all the other provinces except those four, and reports were received from the soldier settlement board that all proposals had been dealt with.

I have before me a record of the cases in all the provinces. I believe that in the eastern provinces as of March 31, practically all the cases are cleared up, with the exception of something like 114 in New Brunswick, which have been considerably reduced in number since then, and which will probably be disposed of within two or three months. At that time there were in Quebec 359 cases, which will probably be cleared up by the end of July; in Ontario only fifteen cases are left;

in Manitoba, unless this bill becomes law, 626 cases are left; in British Columbia only nineteen cases remain to be cleared up as of March 31.

Mr. BROOKS: I believe the minister misunderstood the question of the hon. member for Victoria-Carleton (Mr. Hatfield). He asked if there could be any further applications from soldier settlers beyond those which have already been made, to which the minister has referred, and which are being cleared up. Can the soldier settlers in the provinces he has mentioned make any further applications?

Mr. RALSTON: In the eastern provinces? No.

Mr. BLACK (Cumberland): Why are the eastern provinces dealt with differently from the others? This is a federal measure and should, I think, if it is to have application at all, be applicable to the whole of Canada. Is it at the special request of, say, Nova Scotia, or other eastern provinces that they are excluded?

Mr. RALSTON: I believe that it was on the reports of the boards in the various provinces that the act was finally repealed as to those provinces. My hon. friend will observe, if he looks at the debates, that there was considerable discussion about the act. Originally the act was to have been repealed as to all the provinces. Finally it was decided, upon certain representations with regard to particular hardships in the western provinces, that the cut-off date should be postponed in respect of them to a certain time, namely June 30, 1939. In respect of British Columbia the date was, I believe, a little later. But the repeal as to all the eastern provinces took place in 1938, upon the reports of the boards of review which were hearing the cases. My hon. friend may not have recalled that the act refers only to debts contracted before May 1, 1935.

Mr. CRUICKSHANK: I come from a purely farming district in British Columbia. We in that province have far more debts than have the farmers in Saskatchewan and Manitoba, and we should have consideration in this matter. Farmers in my riding are writing to me every day in this connection. I do not see why British Columbia should be left out. The prices we receive for farm commodities are no better than those received on the prairies. We sympathize with the prairie farmers and we expect them to sympathize with us. I earnestly ask the minister to consider exempting British Columbia from the repeal provision. It should be within everyone's knowledge that in no part of Canada during the past ten years has the farmer been able to pay off past debts, clear off mortgages, or buy new equipment.

Mr. RALSTON: My hon. friend and I should have been here in 1938. That was the time when the matter was dealt with. May I point out that at the present time only nineteen cases are outstanding in British Columbia.

Mr. CRUICKSHANK: The nineteen cases are those which are being heard, but probably there are in my own district 290 cases to which this treatment should have applied, and which have every right to it.

Mr. RALSTON: All I can say to my hon. friend is that the act was brought into force to meet a particularly difficult situation which was found to exist in 1934. It was an emergency measure; it was not intended to be a piece of permanent legislation; and that fact was recognized in 1938 when parliament repealed the act as to the various provinces mentioned. The Minister of Agriculture (Mr. Gardiner) reminds me that the repeal with regard to British Columbia was effected in another place. I had forgotten this; I had it in mind that one of the other provinces was included in the bill brought down in 1938. Now it is not intended to revive this act and start this all over again in all the provinces; but special representations have come from Manitoba, having regard to the crop situation there in the last two or three years, and the fact that farmers have been so down on their luck that they have not been in a position even to make proposals, and on the other hand, that creditors have not been pressing them because they felt the farmers were not able to make proposals. As a consequence, proposals were not made within the time limit set by the act. This bill is for the purpose of putting Manitoba on the same basis as Alberta and Saskatchewan.

Mr. JOHNSTON (Bow River): While we are discussing the amendment to the Farmers' Creditors Arrangement Act, there is one other respect in which that measure should be adjusted; I refer to section 6A, chapter 47 of the Statutes of Canada, 1938, page 346. I would draw particularly to the attention of the minister subsection 1, which says in part:

> In the event of the death of a farmer occurring on or after the third day of July, 1934. . . .

Under that section the board has not the power to deal with estates created before that date. I have before me a case which was taken up last year in Calgary. The husband died before July 3, 1934, and because of that fact the lady in question was unable to come under the jurisdiction of the board. May I

read part of this communication which indicates clearly the ruling of the board in this particular case?

The said land creditor has objected to the jurisdiction of the board, alleging that the case does not come within section 10A of the act—

It really means "6A of the act."

—and contending that it is the duty of the applicant as executrix to sell the assets of the estate to satisfy creditors. As this application does not appear to be one authorized by section 10A of the act—

Again it should be corrected to read "6A."

—the board does not consider that it has jurisdiction to formulate a proposal.

The board accordingly declines to formulate a proposal herein.

Apparently this is a case where, after argument presented by the creditor's lawyer, the board does not even know whether it has the power under this act. In view of that fact, and because this lady is absolutely deprived of any redress through the board, and the case cannot come under the provincial debt adjustment board, the applicant is absolutely at the mercy of a creditor who lives outside Canada, in California. She applied in the proper manner to have the case brought under the jurisdiction of the board, and it is a fact that she has paid already more than the property was worth in the first place, and is merely asking the board to give her some satisfaction.

Mr. RALSTON: Did my hon. friend say that the applicant was living in California?

Mr. JOHNSTON (Bow River): No; the creditor.

Mr. RALSTON: The applicant is where? On a farm?

Mr. JOHNSTON (Bow River): The applicant is in Alberta, a short distance from Calgary.

Mr. RALSTON: On a farm?

Mr. JOHNSTON (Bow River): Yes; living on a farm. The board absolutely refused to give her a ruling on the case and has not stated definitely whether she can come under the act or not. If one looks at the section, it appears that it neither gives the debtor the right definitely nor takes it away. Therefore, since it is not definitely stated that the board could deal with this matter, they threw the whole case out, and the woman has no protection. If that section were struck out, it would, I think, definitely give the board power to deal with these cases. It seems unfair that because a man delayed so long in dying, his wife should not come under this act. I do not think that was the intention.

Mr. RALSTON: If my hon. friend will send me a memorandum of the case, I shall be glad to get a definite opinion with regard to the applicability of the act. My hon. friend will realize that July 3, 1934, is the date the act came into force. The act does not apply when death occurred prior to the act coming into force.

Mr. JOHNSTON (Bow River): But when other cases are allowed and this particular type of case is rejected, I do not think that is fair.

Mr. RALSTON: My hon. friend has not got my point. I think the cases allowed are those in which the death occurred after the act came into force and the deceased had qualified as a farmer. The situation which the hon. member is putting now is where the farmer had died prior to the coming into force of the act. I am speaking without the book and without any experience as to the practice before these boards, but I think if the widow could qualify as a farmer in her own right, she would be entitled to relief. If my hon. friend will give me a memorandum of the case, I shall be glad to take it up not only with the officer administering the act but with the board.

Mr. DOUGLAS (Weyburn): The minister will remember that the board of review in Saskatchewan was changed some time in December, 1936. Has the minister the number of cases dealt with by the first board, the board under Mr. Justice McLean I believe, that was in office in 1935 and 1936?

Mr. RALSTON: I am sorry I have not those figures separately. I have only the total number of cases, by provinces.

Mr. DOUGLAS (Weyburn): Has the minister the average reduction of accumulated debt of all cases handled in Saskatchewan?

Mr. RALSTON: Yes, to March 31, 1939. In Saskatchewan the average reduction per case was $3,998.82, the average debt per case being $10,400.95. Those are cases dealt with by the board of review. In the cases dealt with by official receivers, the average reduction per case is $2,677.05, the average debt per case being $7,434.69.

Mr. DOUGLAS (Weyburn): Has the minister the percentage of the amount reduced to the total debt?

Mr. RALSTON: Yes; on secured debt, dealt with by boards of review, the percentage is 37·96 per cent. For unsecured debts it is 43·87 per cent; or the total average, 38·45 per cent.

Of debts dealt with by official receivers, the reduction in case of secured debts was 34·78 per cent; unsecured, 46·37 per cent, or an average of 36·01 per cent.

Mr. DOUGLAS (Weyburn): The minister has some valuable tables there. In other years I have put questions on the order paper in order to get that information. Would the minister care to table that information in order that members may have it without having to ask for it?

Mr. RALSTON: The total is the only other thing I have.

Mr. HANSON (York-Sunbury): If the minister has a table for all the provinces in convenient form, it might be valuable.

Mr. RALSTON: I do not see any objection. As a matter of fact, I spoke to the officer who is administering the act, and he tells me that shortly the report for the year with regard to the operation of the boards of review will be filed and this information will be in it. But at the moment I see no reason why I should not table this statement, which is up to March 31, 1939. The Saskatchewan figures are as follows:

Farmers' Creditors Arrangement Act, 1934

Statistical review of cases disposed of by boards of review and official receivers to March 31, 1939

Saskatchewan

	No. of cases	Average debt per case	Average reduction per case	Average annual interest reduction
Boards of review	3,653	$10,400 95	$3,998 82	$276 43
Official receivers	2,491	7,434 69	2,677 05	194 80
Total	6,114	9,198 32	3,467 81	243 38

Debt reduction percentages

	Secured	Unsecured	Total
Boards of review	37·96	43·87	38·45
Official receivers	34·78	46·37	86·01
Total	36·93	44·83	37·65

Mr. DIEFENBAKER: There are some official receivers who encourage applications and others who more or less discourage them. Would the minister state the basis on which official receivers are paid? Is it a fee basis or a sum per month?

Mr. RALSTON: As I remember, it is a tariff of fees.

Mr. DIEFENBAKER: Has that always been the basis since the inception of the act?

Mr. RALSTON: I happen to be looking at the schedule for Prince Edward Island, appointment January 1, 1936. In Saskatchewan the official receivers are without exception on a tariff of fees all the way through back to 1934.

Mr. CASSELMAN (Grenville-Dundas): Will the minister give information on that point with respect to Ontario? I understand that at first the receivers were paid on a monthly basis, and then some two or three years after the act became effective they changed it to a fee basis.

Mr. RALSTON: All I can say is that in the schedule I have here I see appointments back as far as 1934, and running down to 1935 and 1936, and opposite the names of every one of the official receivers is the statement "tariff of fees." There may be a question in that the tariff of fees may be in effect to-day but may not have been when they were appointed.

Mr. CASSELMAN (Grenville-Dundas): In one county I know definitely that it was a monthly basis.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Section 2 agreed to.

On the title.

Mr. DOUGLAS (Weyburn): Before the title carries, I should like to take just a minute or two to touch again upon the matter I brought to the attention of the minister the other evening, when this bill was in the resolution stage. I am not going to weary the

committee with a reiteration of the arguments I presented at that time, except to say this. The main argument advanced against granting rehearing to those who came before the first board of review, which operated in Saskatchewan from some time in 1934 until December 1, 1936, is that it would mean going over thousands upon thousands of cases. I have been looking up the figures, and from an answer given me by the Minister of Finance in 1937, I find that in Saskatchewan it would affect only 1,401 cases even if all those concerned were to ask to have their cases reconsidered and adjusted.

I should like to point out to the committee that when this legislation was first brought down, it was, as the minister said, emergency legislation drawn up with a view to meeting a drastic situation. The farmers immediately flocked to avail themselves of the benefits of this legislation. Those who came under it first are the people who have been penalized. According to the statistics given me by the Department of Finance, which I find coincide with what was said by the minister just before the dinner recess, the first board of review operating in Saskatchewan effected an average reduction of about 27 per cent in accumulated debt. The board of review set up when this government came into power brought about an average reduction of somewhere round 44·38 per cent, an increase of about 17 per cent. This means that the farmers who availed themselves of the benefits of this legislation in the latter months of 1934, 1935 and 1936, received proposals which were not as favourable as those received by farmers who have come under the benefits of this act since then.

It is easy to understand why this should be so. Here were men acting as members of a board appointed to reduce debts. They had no measure to go by. They did not know what the average farmer could stand. They did not know how much he could produce. They did not know how much of this debt he could meet, and for the first two or three years they were really carrying on a process of experimentation. As the years have gone by, they have pretty well found a balance; and, as I said the other night, in the last year or two they have done an excellent job. But it seems hardly fair to penalize those people who came under the first board, who had to accept reductions that really were not adequate. Not only were the reductions made in the first two and a half years not adequate; but since that time conditions have grown much worse. I have before me appendix No. 4 of the report of the dominion-provincial commission, entitled "National Income." On page 87 I find that in Saskatchewan receipts from the sale of grain, seed and hay, which constitute our main commodity, have been as follows:

1926	$257,630,000
1934	70,180,000
1935	81,420,000
1936	86,870,000
1937	43,760,000

In other words, in that ten year period the agricultural income of the farmers engaged primarily in wheat production had dropped to almost one-sixth of the figure for 1926, while the income for 1937 was only about sixty per cent of the 1934 income. I do not think I need labour the point. To begin with, these people did not receive as great a reduction. In the second place, on account of low prices and climatic conditions, in the period that followed they could not begin to meet the proposals that were formulated, to which they and their creditors had agreed. So I want to ask the minister seriously to give consideration to granting a rehearing to those farmers who came under this board of review prior to December 1, 1936. I do not believe a single member from west of the great lakes who knows the conditions on the prairies will oppose that suggestion.

This afternoon the hon. member for Portage la Prairie (Mr. Leader) referred to the action taken by the legislature of Manitoba. I have before me a resolution passed by the legislature of Saskatchewan, as follows:

That the legislature of the province of Saskatchewan, while deeply sensible of the great assistance rendered to our people by the provisions of the Farmers' Creditors Arrangement Act in the solution of their financial difficulties occasioned by the present depression, aggravated by unprecedented drought in our most productive areas, are of the opinion that experience of the working of the said act in our province renders desirable amendments thereto whereby it may be provided—

Then follow several suggestions, among them being:

(2) That the board of review be given power to rehear and amend proposals formulated prior to the 1st of December, 1936.

Because I can think of no good and sufficient reason why this request should not be granted; because it would involve not thousands of cases but only some 1,401 cases in Saskatchewan, and because I feel that a real injustice has been done a group of people who were actually pioneers in this field of legislation, I ask the minister to take into serious consideration this amendment. I move:

That section twelve of the said act, as amended by sections four, five, six and seven of chapter twenty of the statutes of 1935, and by this act, is further amended by adding thereto the following subsection, as subsection 7A:

"7A. The board or boards shall have power to rehear and amend proposals formulated prior to the 1st day of December, 1936."

This, if it were accepted, would constitute section 3 of the bill.

Mr. RALSTON: Like someone else who spoke this afternoon, I do not profess to be an authority on procedure, but I suggest that this amendment involves an expenditure of money and therefore cannot properly be made by my hon. friend.

My hon. friend will remember that the resolution on which this bill is founded had to be introduced by a declaration to the effect that his excellency, having been made acquainted with the subject matter of the resolution, recommended it to the favourable consideration of the house. That was done because the measure involved an expenditure of money. To give the boards power to rehear all the proposals made prior to December 1, 1936, would certainly involve a very heavy expenditure.

Mr. BLACKMORE: As I understand the rule, the amendment would be out of order if it involved an expenditure of money on the part of the government, but I cannot see how this amendment calls for any such expenditure.

Mr. MACKENZIE (Vancouver Centre): It is a potential commitment.

Mr. DOUGLAS (Weyburn): I believe the minister is making a rather fine distinction. While it is true that the amendment might involve extra work or extra hearings, yet any amendment moved by a private member would involve the sending of a letter or the buying of a stamp.

Mr. RALSTON: That is not the point.

Mr. DOUGLAS (Weyburn): But these boards are already set up, and I am merely asking that in certain particulars their work be extended.

Mr. RALSTON: That is exactly the circumstance with regard to Manitoba. The board is already set up in Manitoba; but in order that I might introduce the bill I had to found it on a resolution, because it involved an expenditure of money in the hearing of cases which could not have been heard under the bill as it stood. I have no intention of making a fine distinction, but I urge that my point is a substantive one, and I take it because in my view our proceedings should be regular. Of course the hon. member has a perfect right to appeal to me as a member of the government to take the point he has mentioned into consideration. I have expressed my doubt, however, as to whether it is in order for him to move the amendment which now stands in his name.

THE CHAIRMAN: My ruling is that the amendment entails a substantial commitment, and that no amendment entailing a financial commitment can be presented, unless it be by a member of the privy council, a member of the cabinet, with the approval of his excellency in council. The amendment is out of order.

Mr. GERSHAW: Facts concerning a case have reached my desk to-day. The case in question has particular reference to the Farmers' Creditors Arrangement Act, and I draw it to the attention of the minister. The man in question bought a farm some years ago for $8,000, on which he has paid $7,096. He still owes a large sum of money, which the board is willing to write down to some $4,000.

Two factors have entered into the situation, one being the drought conditions in the particular district in question, and the other being the low price he is able to obtain for his farm products. His proposition is that he could pay $2,000, but he sees no hope of making a living for his family if he has to pay $4,000, plus interest. His question is this: What will happen to him if he moves away and leaves the place? Will he be held personally responsible, or will he be free of debt? This farmer feels that he cannot in any way meet the requirements of the board of review.

Mr. RALSTON: As I understand my hon. friend, a proposal had been made?

Mr. GERSHAW: Yes.

Mr. RALSTON: I can only make the same offer as I made to another hon. member before recess, namely that I shall be glad, if he will submit the case to me, to procure the opinion of the law officers of the department in regard to the matter. I am afraid that offhand I cannot offer a legal opinion which would be worth very much.

Mr. GRAHAM: This is a bill in which I am sure every member from Saskatchewan will take a great deal of interest. Most of us have grown up in eastern Canada, and I can quite understand the reason why the eastern provinces have not favoured the application of this particular statute. I want to assure hon. members, however, that at least in Saskatchewan—and I think the same is true in the neighbouring provinces of Alberta and Manitoba—this measure has been a good thing, for both creditor and debtor classes.

The position in Saskatchewan is this, that a decided surgical operation had to be performed if agriculture were to survive. I find

myself in the position of suggesting to the minister that we ought to go even farther than has been suggested by the hon. member for Weyburn. In the light of the experience which has been gained since the beginning of the operation of the act, the boards, which have had to discharge a very difficult task, have improved the handling of the cases.

Incidentally may I say to the minister that one of the most important factors in connection with the operation of this act in Manitoba will be the choice of the chairman of the board. His capacity to deal fairly with both creditor and debtor classes, and to take a sympathetic and appreciative attitude in the administration of the affairs of his board, is of the utmost importance. His task is a very difficult one, and one requiring a particularly high type of judicial mind.

In the light of decisions of our own courts with regard to the interpretation of some of the sections of the act, I would hope that the minister would see fit to refer the consideration of the whole act to the committee on agriculture, so that a careful study might be made. We private members from the west have considerable knowledge of conditions out there, and I think we could be of assistance to the government and to all the people in Canada if we could make the act do the task it was meant to do.

I am in complete agreement with the hon. member for Weyburn when he says that many points were discovered in applications which came later, and that those who happened to make application earlier suffered not only because of the smallness of the percentage of reduction of debt, but also in making provision for future years of possible drought. Proposals now emanating from boards of review make the very proper provision that the terms of the proposal are not operative in a year in which a drought or crop failure occurs. The board of review directs that the sheriff of the judicial district in which the land is situated shall be designated as the person authorized to declare that in that particular district and in that particular year a crop failure has existed. That provision in the proposal has been attacked in our Saskatchewan courts. I am not certain that our higher courts have dealt with it, that is beyond the court of king's bench. I feel certain that even those members who live in eastern Canada will realize the necessity of performing that operation in order that some hundreds of thousands of farmers may be saved to Canada, as is set out in the preamble to the act. We private members, particularly those from western Canada, may possibly be able to assist the government by occupying some of our time in studying, in the light of the experience of the last six years, what may be brought in by way of sensible amendments. I do not propose to embarrass the minister and his cabinet any further, except to suggest that he take this matter under consideration.

Mr. RALSTON: The hon. member for Weyburn (Mr. Douglas) gave some figures, and I should just like to understand them correctly. Was he stating the income of Saskatchewan for the years 1935, 1936, 1937 and 1938?

Mr. DOUGLAS (Weyburn): I was stating the agricultural income.

Mr. RALSTON: I do not suppose my hon. friend could give me an estimate for 1939?

Mr. DOUGLAS (Weyburn): I was quoting from the Sirois report, and the last figures given are for 1937.

Mr. RALSTON: I understood my hon. friend to give figures for 1938.

Mr. DOUGLAS (Weyburn): I gave the figure for 1926, which was $257,630,000. Then I gave the figure for 1934, the year the act came into operation, which was $70,180,000. The total income for 1935 was $81,420,000; for 1936, $86,870,000, and for 1937, $43,760,000.

Mr. RALSTON: The hon. member cannot give me the figures for 1938 and 1939?

Mr. DOUGLAS (Weyburn): No, I cannot. I could have stopped at 1936. I was simply pointing out the decline in agricultural income in the three years during which the first board of review operated in Saskatchewan. As I understand, it was appointed in 1934 and ceased to function on December 1, 1936. I was pointing out that during that period there had been a decline in agricultural income.

Mr. RALSTON: I cannot see where there is a decline as between 1934 and 1935 and 1936. In 1934 the income was $70,180,000; in 1935, it was $81,420,000, and in 1936, $86,870,000.

Mr. DOUGLAS (Weyburn): A decline is shown in 1937.

Mr. RALSTON: That is not in the three-year period. I understood my hon. friend to say there was a decline in the first three years the act was in force; but the income for the first year was $70,180,000; for the next, $81,420,000, and for the next, $86,870,000. The figures for 1938 and 1939 would be useful. May I say to my hon. friend and to the hon. member for Swift Current (Mr. Graham), that I think it is drawing a rather violent

assumption simply to say that because the percentage of reductions happened to be less in a certain year in a certain period, therefore the proposals were not fair to the applicants. It is quite possible that the reductions may not be quite as large because applicants may have been in a better position to pay. I see no real sequence between the two sets of facts. I believe that is the argument upon which my hon. friend's contention and suggestion are based.

The hon. member for Swift Current suggests, as I understand him, that there should be a review in a drought year. This would mean that we would never get to the end of the matter. It is provided in section 10A that proceedings cannot be taken in bankruptcy against an applicant who has made a proposal if his failure to carry out the extension or scheme was on account of causes beyond his control. I would assume that drought would come within that category. It seems to me that that situation is provided for.

My hon. friend suggests that there are only 1,400 cases. He is referring to Saskatchewan alone and only up to December 1, 1936. If it went only to December 1, 1936, and I had made a proposal on December 22, 1936, I would not understand why I should not be included. The same would apply to a man who had made a proposal in 1937. Why the cut-off date? Obviously the suggestion of my hon. friend is that the amendment to cover Saskatchewan would operate in every province. In view of its present form and the ameliorating clause in section 10A, I submit that the situation is fairly well covered.

I indicated before recess that in connection with an amendment of this kind consideration would have to be given. It is obvious that there would have to be some provision for review at the instance of the creditor. The list of cases number 3,653 for Saskatchewan; 2,077 for Manitoba and 3,276 for Alberta. Therefore in those three provinces there are 9,000 cases which would have to be reviewed. If this ameliorating clause is to apply to Manitoba, Alberta and Saskatchewan, there should be some remedy for the farmer who has made a proposal and who lives in a province where the act is no longer in effect. What the government is trying to do here is to meet a special situation which has been presented in the case of Manitoba. I ask hon. members not to attempt, at this late date in the year of grace 1940, after this act has been in force for six years and when the number of cases is getting smaller rather than greater, to reopen the act and have all cases reviewed, which would mean that the act would be perpetuated indefinitely.

[Mr. Ralston.]

Mr. TUCKER: Mr. Chairman, what the minister has said about there being fewer cases under the Farmers' Creditors Arrangement Act is certainly not true in Saskatchewan. As the minister knows, we now have two boards of review which, as I understand, are barely able to keep abreast of the work. If we are going to leave this act as the only definite system to adjust the debts of Saskatchewan farmers, then I agree with the hon. member for Swift Current (Mr. Graham) when he says that it would be only fair and proper to correct any deficiencies which may have been discovered in the act. For example, proposals made by the first board of review in Saskatchewan provided a rate of interest on first mortgages of seven per cent per annum. When the new board was brought into existence, all proposals then provided for a rate of six per cent per annum on first mortgages. It should not be very difficult to make an amendment to this or some other appropriate act to provide that all proposals under the act should be considered as not having provided for an interest rate of more than six per cent per annum. In that way some measure of justice would be granted to those who made applications under the first board of review and who are to-day paying seven per cent interest.

The minister pointed out that a farmer could not be placed in bankruptcy if the proposals made in Saskatchewan by the first board of review were such that a farmer could not possibly carry on. He stated also that the fact that the rate of reduction in the case of the first board of review was not nearly as great as in the case of the boards of review that have been appointed since, did not necessarily mean that the applicants were being treated differently. I have had an opportunity of appearing before these boards of review in connection with many cases, and I know that they were. One needs only to compare the rate of interest as applied by the first board of review with that applied by the second board of review to see that a different attitude was taken.

Further I assure the minister that an entirely different attitude was taken to the whole matter by the second board as compared with the first board. For example, on the question of crop failure, orders were made by the first board that certain moneys should be paid but no provision was made for the case of crop failure. The second board of review in Saskatchewan provided that in the event of crop failure certified by the sheriff of the district in which the farmer resided all payments due that year should be postponed for one year after the time when the payments

otherwise would have been completed. Owing to repeated crop failures, under the proposals made by the first board of review many of the farmers are in default and their farms can be foreclosed under the act, and if it were not for the debt adjustment board in Saskatchewan I am afraid that a great many of these farms would have been foreclosed by this time.

There is a tendency for the argument to be made that, a man having taken his case before the board of review, the provincial debt adjustment board should not intervene when he is in default, and so foreclosures have been permitted. I submit that if we are going to have this act—and we have to have it or some other act to take its place providing, for instance, a land court, as has been suggested by the province of Manitoba, for we must have some debt adjustment machinery for western Canada. If we are going to have this act as the only machinery we are to have, I do not see why in the world there should be any objection to accepting the suggestion of the hon. member for Swift Current (Mr. Graham) to refer this matter to a committee for study and to recommend improvements in the act.

There is one other matter I bring to the attention of the minister to indicate the anomalies arising under this act. If a man died in 1933 and left his family to carry on his farm; if his family are unable to pay their debts, they cannot apply under this act; but if the man happened to die a year later, his family could apply under this act. Surely the family needs just as much help when the breadwinner happened to die in 1933 as when he died in 1934. Why any definite cut-off date? The thing is preposterous to my mind. If a man who incurred debts from 1920 on can in his lifetime apply and get the benefit of the act, why cannot his widow apply and get the benefit of the act in order to stay on the land and help support her family? To make any distinction between 1933 and 1934, whichever might happen to be the year in which the man died, is an anomaly in the act which I submit should not be there. There is no reason for it, Mr. Chairman. I do not think the private members of this house are so busy that they would not be glad to give their time to correcting some of the anomalies under this act.

It has been decided by one of our courts that the very heart of the proposals that are now being made by our present boards of review in Saskatchewan, namely, that in the event of crop failure certified by the sheriff of the district, payments shall be postponed, is beyond the jurisdiction of the board of review. If that decision is upheld in the higher courts, then all these orders made by boards of review subsequent to those made by the first board are not valid, and practically every single farmer under these boards is now in default for two or three years, depending on the number of crop failures in the particular case. Surely we are sufficiently interested in the farmers of western Canada and in their plight, at least to make sure by an amendment to the act that the board of review has the power to delegate the right to the sheriff of the district to certify to a crop failure so that there may be a postponement of the payments due that year. If the decision I have mentioned is upheld in the higher courts and we do not act in this parliament and explicitly give the power to the board and make that power retroactive, I venture to say that every farmer who has got an order from the second and third boards of review in Saskatchewan will be found in default.

As a matter of fact, what has already happened is this. It is the very case where the ruling to which I have referred was made. There was a crop failure and the farmer got his certificate that there was a crop failure. Then there was an attempt to foreclose. The farmer showed that under the proposal of the board of review he was not in arrears because he had the necessary certificate which postponed the payments due that year. The court held that the sheriff had no right to give that certificate and that the board of review had no right to delegate its powers to the sheriff to give a certificate of crop failure. They held that therefore the farmer was in arrears and made an order accordingly, and the man is being foreclosed to-day on his farm. That is something in which we in western Canada are bound to be interested. When a man gets an order from a duly authorized board of review and has met his payments under that order, we should stand behind the order of the board of review and see that that man is not thrown off his farm.

I realize that the minister is very busy and wants to get this bill through so that he may proceed with other work, but we are all not as busy as the minister and I contend that this whole problem might very well be submitted to a committee. If the east is not interested in this question, at least we in the west are interested in it. When it was definitely provided that the act should expire except in the provinces of Saskatchewan and Alberta, it was realized in this parliament that we had a problem that had to be met, and when we from those western provinces ask for the act to be so amended as to fit our needs,

parliament, I submit, should be good enough to agree to that request and to deal with the problem we have.

Mr. DOUGLAS (Weyburn): The minister, in reply to the suggestion that has come from several members from the west, said that at this late date we should not be trying to alter the act. May I point out that the suggestions I made to-night I made in 1937 and again in 1938, asking for this very thing. So it is not something new that we are asking, nor are we asking for it at the tail end of the session, but we have asked for it year after year in western Canada because we realize the injustice that has been done to a certain group of our people.

The minister referred to the figures I gave regarding Saskatchewan income and attempted to wave them aside, saying it would be interesting to have the figures for 1938 and 1939. The Sirois report covers up to and including 1937 only. But I have a statement from the dominion bureau of statistics giving the index figures for all farm products, not just for Saskatchewan but for all western Canada, showing the decline there has been in prices, and the decline would be more accentuated in the case of Saskatchewan. I find that in 1936 there was a drop in the index commodity figure price to 69·4; in 1937, 87·1; in 1938, 73·6; in 1939, 64·3; in 1940, 70·0. In other words, from 1937 to 1940 there was a drop of 18·1 in the index commodity figure for agricultural products. So the situation has not bettered but has grown worse. When I quoted these figures to the minister I was quoting them in relation to the base year, 1926, when farm income was $257,630,000, to show the tremendous drop there has been in the income of those who are called upon to meet the terms of proposals made under this act.

We are not dealing now merely with a matter of statistics, although statistics show a difference of 17 per cent in the reductions. But we are dealing, as someone has already said, with personalities; the personnel of the board appointed in December, 1936, was of a totally different type from the personnel of the previous board, and the second board tackled the question with either a better knowledge of conditions or a much more courageous approach. The fact of the matter is that the people who came under the first board were treated differently from, and did not get as good a proposal as, the people who have subsequently come under the benefits of this legislation.

I am not going to labour the matter, except to say this as I sit down. The Minister of Agriculture (Mr. Gardiner) and others have been stressing the fact that in no small part Canada's contribution towards the successful prosecution of this war will be agricultural products. Agricultural commodities cannot be produced if large sections of people on the land are burdened down with debts which they cannot possibly hope to meet. Unless these people can see some way out, we are going to have thousands of men flocking to the cities and into industry—just the problem Great Britain is facing at this moment. If we are going to keep the young men on the farms in western Canada, we must deal with this debt situation; and I entirely agree with the hon. member for Swift Current that the western members at least would be glad to give their time in the mornings in committee to see if we cannot work out, irrespective of our differing political views, something which will solve the problem of the debt-ridden prairie farmer.

I agree with the minister when he says that this suggestion that a board shall rehear cases which came before the first board will not cancel the whole difficulty. Of course I had not that idea in mind. I suggested that it would deal merely with one little group. If we open up the question before a committee of this house, we shall have to go to the very root of the matter; and the root of the matter is this, that in each one of these contracts should be inserted a crop failure clause providing that if in any year the amount received by the farmer was not in excess of a certain number of bushels or dollars per acre, in that year there would be no interest payable, and interest would not accrue during the years when there were crop failures.

If the farmer, as this bill contemplates, is to be kept on the land as an efficient producer, the House of Commons either now or later must face this problem. I hope the minister, even though he cannot give consideration to further amendments at this time, will at least take cognizance of the representations which may have been made to him from various parts of this chamber, and he might make a reference to the committee on agriculture or to a special committee of this house to study the whole question of the prairie farmer in relation to the Farmers' Creditors Arrangement Act.

Mr. DIEFENBAKER: I rise to support the suggestion of the hon. member for Swift Current (Mr. Graham). The situation in Saskatchewan has been placed before this committee by several hon. members from that province who have spoken. At no time has it been more necessary than at the present to mobilize agriculture. That fact has been stressed over and over again by the Minister

of Agriculture (Mr. Gardiner). Agriculture cannot be mobilized in Saskatchewan—and I think that statement applies generally to western Canada—until in the first place a fair and reasonable price is given to the western farmer. The western farmer has no objection to the various interests—munitions manufacturers and other manufacturers—receiving a fair profit. To-day, however, the price of agricultural products all over western Canada is such that the farmers are in a condition scarcely better than they were in a few years ago. The only method whereby they can secure a measure of justice and be kept upon the land is through the proper operation of the Farmers' Creditors Arrangement Act.

The hon. member for Weyburn (Mr. Douglas) has mentioned that to-day different considerations govern the board of review in our province from those followed by the first board of review. When the first board was set up, in 1934, it had to enunciate certain principles upon which it would proceed. It had no precedents upon which to go. Apparently there was no real desire as between the creditors and the debtors to cooperate. But in process of time, by December 1, 1936, some precedents had been formulated. Then a new board of review was set up, and from that day onward—and the same principles are being followed by the board recently appointed—the whole principle behind the administration has been the necessity of so adjusting debts as to enable the farmer to remain upon the land.

I appreciate the argument that there must be a finality to all things. There were dealt with in Saskatchewan prior to December 1, 1936, 1,401 cases; and I venture the opinion that, of the debtors concerned, not more than 100 are to-day in a position where they can carry on. Under the principles which guided the first board of review the write-off was small. It was believed to be emergency legislation. There was no guiding plan to follow. I can see no reason why, if the minister should be unable to see his way clear to amend the act as suggested by the hon. member for Weyburn, the whole matter of agricultural debt should not be referred to a committee on agriculture. As pointed out by the hon. member for Rosthern (Mr. Tucker), there are to-day, in the operation of that act, anomalies which, if continued, will nullify the act itself. One of the courts in Saskatchewan has decided that any proposal made which permits of an extension upon the certificate of a sheriff is inoperative. If that judgment is upheld by the court of appeal, it will mean this, that whenever a farmer in Saskatchewan, through crop failure, gets into default under the proposal which has been made, he places himself in a position where he may be foreclosed.

The farmer is not responsible for drought conditions and for low prices. The necessity of mobilizing agriculture was never more important than it is to-day. Under the act anomalies exist which have been pointed out; and my suggestion is this, that the whole matter be referred to a committee on agriculture, to the end that western agriculture will have an opportunity to present a collective viewpoint before a committee of the house, and those anomalies which exist in the act to-day may be removed, in order that the western farmer will be able to contribute something to the empire and at the same time assure for himself a reasonable living and a chance to enjoy some of the better things of life.

Mr. PERLEY: The amendment proposed by the hon. member for Weyburn (Mr. Douglas) to give consideration to reopening and rehearing the proposals made by the first board of review in Saskatchewan has provoked a discussion which has been worth while; the time has not been wasted. There is considerable merit in the suggestion made by the hon. member for Swift Current (Mr. Graham); and with his experience in appearing before a committee of this house, he no doubt could bring to a committee information that would be worth while. I would remind the committee that at the last regular session of parliament in 1939 a special committee of this house was set up to consider the mortgage bank bill. They sat for some considerable time; representations were made before them by practically every interest in Canada; the whole debt problem of Canada was pretty well threshed out before that committee, and finally the Central Mortgage Bank Act was passed by parliament. I would suggest that if the machinery provided in that act were put in operation, it would take care of debt adjustments not only in western Canada but all over Canada. I think the minister might make a statement to the committee at the present time with respect to that act. Has any consideration been given to putting that act into operation, because I think it would bring about a general readjustment of the debts, in particular the mortgage debts of western Canada. That would be worth while; it would put many thousands of farmers on their feet and give them heart to go ahead. The machinery is there. Has the minister considered putting the Central Mortgage Bank Act into operation?

Mr. WRIGHT: I should like to point out to the minister, who stated that this act was only temporary, that as long as the price which the farmer in the west receives for his product bears no just relationship to the price of the commodities he has to buy, this act is going to be necessary. It is not a temporary thing at all. We should do something about the matter at this time.

Mr. HANSON (York-Sunbury): Before the minister replies, I should like to say a word. I had no intention of participating in this debate, but something said by one of the hon. members for Saskatchewan prompted me to speak. He intimated that the east is not interested in this legislation. I should like to tell him that when this legislation was introduced in 1934 by the then Minister of Finance, it was because there was an appreciation on the part of eastern members of the problems not only of their own farmers but of western farmers. I was myself one of those who was consulted by the then Minister of Finance with respect to some such measure as this. In view of the fact that this is bankruptcy legislation—and the basis of jurisdiction in this matter is bankruptcy under section 91 of the British North America Act—in view of the fact that we already had on the statute books of this country legislation authorizing the manufacturers, merchants and traders of Canada to go to court with a scheme of arrangement, and that these facilities were denied by that bankruptcy legislation to the farmers of Canada; and in view of the plight in which the farmers of Canada found themselves as a result of the depression, I felt that it was only fair and just, and so recommended to the minister at that time, that the farmers of Canada should have an equal opportunity with the merchants, manufacturers and traders of Canada to make an arrangement of their liabilities.

No one ever considered for a moment that this was anything but interim legislation, if I may use that term. No one ever believed that the conditions then obtaining would continue for such a long period. If we had thought that, we might have taken a longer view. But they have continued. I am not going to express any opinion with respect to the merits of the proposals made here to-night by hon. members from the great province of Saskatchewan; but I have this feeling and have had it for a long time, and it may surprise some of our western Canadian friends as coming from an easterner; I have felt that a country which could produce one billion dollars of new wealth in a normal year was a country that was worth attempting to save. I still hold that view. I have never yet opposed in principle anything that would go to ameliorate the condition of the people in western Canada. I had an opportunity to see for myself the heart-breaking sight of what happened in the west as a result of drought. I urge the minister to give consideration to the representations that have been made by these hon. gentlemen to-night. I am not in a position to express an intelligent opinion as to what he should do, but I ask him to give the matter consideration.

I must, however, remind him that there is another point of view with respect to the farmer, one that I must say had not presented itself to me at the time that the legislation was introduced. It has been found in my own province—and I speak of that province because I know the conditions there—that the effect of the legislation has been to dry up credit to our farmers.

Mr. CRERAR: The same is true in the west.

Mr. HANSON (York-Sunbury): I live in a country town; it is a small city, but it is in the midst of a beautiful agricultural country. We are the only town of any consequence within a radius of thirty miles or so. It is the centre of a large community of 60,000 to 70,000 people. Naturally the condition of the farmers there is known to the members of the legal profession. From the day I started to practise in Fredericton down to the present time, the bulk of our business has been with the farmers, and it was largely a business of lending money; not institutional lending, but lending by private individuals on mortgages. To-day you could not get a private individual to lend a dollar to a farmer in the whole of that county of York unless the person who had money to lend was actuated by something other than purely financial reasons. For that reason, weighing in the balance one consideration against the other, I am of opinion that our farmers in eastern Canada at all events, are suffering because of this legislation. In 1934 I think it was a good thing for them; to-day I think it is a bad thing, and I want to get rid of it as quickly as possible in the interest of the farmers themselves.

Mr. NICHOLSON: I wish to support the suggestion of the hon. member for Swift Current (Mr. Graham) and recommend to the committee a careful study of appendix No. 4 to the dominion-provincial relations report. On page 86 there is a picture of the reduction in farm income in Saskatchewan. During the four years commencing in 1926 the figures are as follows:

1926	$197,100,000
1927	197,300,000
1928	220,200,000
1929	150,000,000

Then for the last four years, the figures are as follows:

1934	$23,000,000
1935	31,900,000
1936	55,800,000
1937	19,200,000

In order that we may understand just what this means, let hon. members try to think of their own income being $197 a month in 1926 and then reduced to $23 a month in 1934.

During the same period we find that the farmer's cost of operating has remained fairly constant. On page 88 there appears an extensive table listing the farmer's cash operating expenses, itemized under various headings such as taxes, interest on mortgages and other debts, tractor fuel, repairs, and so on. We find that taxes, for example, have remained fairly stable, with a slight decrease in later years. Interest on mortgages and other debts has been as follows:

1926	$21,520,000
1927	22,510,000
1928	24,120,000
1929	25,910,000

From 1934 on, however, the figures are as follows:

1934	$26,540,000
1935	26,360,000
1936	19,850,000
1937	19,730,000

As other hon. members have indicated, creditors as well as debtors realize the necessity of making drastic reductions. According to the table on page 86, the sums paid in the form of interest on bonds and dividends to individuals in Saskatchewan have remained fairly constant during the entire twelve-year period surveyed by the commission. The figures are as follows:

1926	$2,200,000
1927	2,400,000
1928	2,500,000
1929	2,600,000

The average for the remaining four years is well over $2,000,000 annually. I think the Minister of Finance (Mr. Ralston) would be performing a valuable national service by referring the question of the whole debt structure of western Canada to a special committee of this house, in order that the debt-ridden people of the west might have some security.

Mr. QUELCH: I find myself thoroughly in accord with the suggestion made by the hon. member for Weyburn (Mr. Douglas) and the proposal of the hon. member for Swift Current (Mr. Graham) that the whole question of the agricultural debts of western Canada be referred to a special committee. As the minister is well aware, the government of Alberta has passed many measures in the last few years to deal with the question of debt, because I think it is well recognized that this act does not deal adequately with the debt problem. I must add that as long as the farmers of western Canada are compelled to produce for less than the cost of production, as they have been in the past, and until such time as we have an adequate form of crop insurance, just so long will the farmers of the west go deeper and deeper into debt. As some hon. members have said, this cannot be looked upon as temporary legislation, because as long as these conditions exist, legislation will have to be kept in operation to deal with the situation. If the federal government will not pass that legislation, then we shall find the western provinces doing it, which will further complicate the situation. So I seriously ask the minister to consider referring this matter to a special committee of the house.

Mr. RALSTON: I think the committee is entitled to a word from me. I do not want it to appear, as may have been indicated by the hon. member for Rosthern (Mr. Tucker), that because the minister happens to be busy, he is not disposed to take full account and full cognizance of all that has been said.

I think I realize as fully as anyone in this house—and that is saying quite a bit, having regard to the humble position I happen to occupy in Canada at the present time—just how vital the interests of the farming community of this country are to the economic life of the nation. I also realize to some extent what one would almost think, after hearing my hon. friends to-night, had not been recognized at all; that is, that the governments of Canada—and here I am speaking not of this government particularly but of successive governments—have been by no means indifferent to the representations which have been made with respect to the importance of the agricultural community and the agricultural industry of this country. I have been in this house before, and sometimes I think it would be only fair to all of us as Canadians if hon. members, while painting one side of the picture, would at least endeavour to give some indication that they realize the other side of the picture as well; and that these general statements which have been made, which would almost indicate that the agricultural industry has been totally neglected by the governments of this country, are perhaps hardly founded in fact.

There has not been very much said to-night to indicate that any attention whatever has been paid the farming community by any government of this country. From what my hon. friends have said, one would

almost feel that there has been total indifference exhibited to that great industry. That has not been so, as hon. members know; and the fact that we do not accept amendments to certain sections of the particular legislation before the committee to-night does not by any stretch of the imagination mean that this government is not fully alive to the importance of the industry and to the necessity for its maintenance if we are to have any sort of balanced economy in the Dominion of Canada.

I presume hon. members realize that this debate has gone far beyond the confines of the bill and that the particular section we are discussing at this moment provides that the words "the said" shall be struck out and the word "this" inserted instead. However, this has provided an opportunity, which I am sure has been welcomed by hon. members as I can assure you it has been welcomed by the government, for an expression of opinion with regard to the vital problems and vital interests of the agricultural industry.

The hon. member for Qu'Appelle (Mr. Perley) asked me to say something with regard to the central mortgage bank. I do not think anything can be added to the statement made shortly after war broke out. When I assumed the portfolio I now hold, this whole matter of the mortgage bank came up for consideration. After giving it the fullest thought and study, the government felt in the first place that in view of the fact that the Central Mortgage Bank Act was founded on a long term valuation of practically all the lands in all the municipalities of our provinces, particularly our western provinces, and that conditions in war time were not those under which a sound and stable valuation could be made, it was impossible from the point of view of either the debtor or the creditor to fix a valuation which would be fair without the criteria generally present in comparatively normal times. That was the first thing.

The second was that Canada, as hon. members know, undertook under that legislation a very heavy load in the way of the issue of debentures, and it was felt that in view of the commitments which this country faced it was not a good or feasible time for it to undertake the tremendous obligations which would be involved in the issue of debentures under that act. The act is not dead; it is suspended. A certain amount of work has been done in connection with it, and the studies are being pursued. I cannot give the committee any definite indication as to when the act may come into full operation; I can only give the reasons for the act not being put into effect so far. I think the committee can understand and appreciate, about as well as I can, when conditions may arise which will enable us to go forward with that act.

I am not sure that any other matter was referred to. The only other thing I did want to say was this, that hon. members will realize that a bill similar to the one we are now considering, has had, shall I say, a rather stormy passage on previous occasions.

I come back to the purpose of the act, which is to extend its benefits, whatever they may be, to Manitoba, having regard to the special conditions which exist. I would ask hon. members to unite with the government in endeavouring to see that this particular piece of legislation is put through for the purpose for which it is proposed. I assure them again that on behalf of the government I have taken full cognizance of what has been said in connection with agriculture generally, and that they can be absolutely sure that those representations, and others which we have in mind, will not be forgotten.

Title agreed to.

Bill reported, and read the third time.

Mr. SPEAKER: Mr. Ralston moves that the said bill be passed and that the title be as on the order paper. Is it the pleasure of the house to adopt the motion?

Mr. RALSTON: Mr. Speaker, there is one point I should like to have on record, and I believe I may make the statement on the motion you have just put.

Some hon. members before recess asked me to put on record certain tables from which I have quoted. I find that both tables are in the printed report in connection with the Farmers' Creditors Arrangement Act, which I presented the first day of this session. The tables to which I refer are Nos. 7 and 7A. If hon. members will accept the tables appearing in the report, a certain amount of printing in the debates will have been saved.

Motion agreed to and bill passed.

CIVIL SERVICE SUPERANNUATION

ORDER IN COUNCIL OF AUGUST 11, 1939, TO HAVE FORCE AND EFFECT OF STATUTE

Hon. J. L. ILSLEY (Minister of National Revenue) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide that the order in council respecting civil service superannuation dated 11th August, 1939, shall have the same force and effect as if sanctioned by act of parliament on the said date.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

Mr. HANSON (York-Sunbury): Has this order in council been tabled?

Mr. ILSLEY: I am not sure about that.

Mr. HANSON (York-Sunbury): I think we ought to see it. Would the minister make an explanation?

Mr. ILSLEY: At the last session of the last parliament the house appointed a committee to consider amendments to the Civil Service Superannuation Act. That committee made a report which, if I remember correctly, contained twenty-eight recommendations, and was adopted by the House of Commons. The government explained at that time that it would not be possible at the session then in progress—that was about a year ago—to introduce legislation carrying out the terms of the report. It was intimated, however, by the government that it might be possible to put some of the recommendations into effect by order in council. Accordingly on August 11, 1939, an order in council was passed carrying out a few of the recommendations contained in the report. The law officers advise that the order in council should be ratified by legislation.

Mr. HANSON (York-Sunbury): On that theory would it not appear that the order in council was illegal, and that there was no statutory authority for it? I was not here at the time, but I am interested in the matter.

Mr. ILSLEY: I have not gone very deeply into that question, because in so far as the order in council was beneficial to contributors, it was an act of the government which, I imagine, was not illegal.

Mr. HANSON (York-Sunbury): Then why the necessity for legislation?

Mr. ILSLEY: I do not think it contravened the provisions of the act. But in so far as the order in council was not beneficial to the contributors and in so far as it imposed heavier burdens upon them than otherwise would have been imposed by the act, that difficulty was met by taking an agreement from the contributors. A paragraph in the order in council refers to the agreement, and when the bill is introduced it will be seen by hon. members that from now on, contributors will not be asked or expected to sign an agreement to make contributions in excess of those provided for by the act itself.

Mr. DOUGLAS (Weyburn): Would the sections in the order in council be identical with those of the bill?

Mr. ILSLEY: Yes. It is proposed to have a very short section in the bill stating that the order in council shall have the same force and effect as if it had been sanctioned by act of parliament at the date on which it was approved. There is just one section in the bill. There is a subsection which deletes the paragraph of the order in council providing for the taking of agreements from contributors, because hereafter that will not be necessary, because it will be covered by the act.

Mr. DOUGLAS (Weyburn): Is the order in council lengthy? Would it be possible to put it in *Hansard?*

Mr. ILSLEY: It would be possible, but there will be a much quicker way for members to gain access to it. It is an appendix to the bill; and as soon as the bill receives first reading, every hon. member will be able to see the order in council.

Mr. HANSON (York-Sunbury): I suggest that we accept the resolution, have first reading of the bill and then let it stand so that hon. members may read the order in council. I received the bill only a moment ago, through the courtesy of the minister.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 28, to amend the Civil Service Superannuation Act, 1924.

Motion agreed to and bill read the first time.

CITY OF OTTAWA AGREEMENT

AUTHORIZATION OF PAYMENT OF $100,000 FOR THE YEAR ENDING JULY 1, 1940.

Hon. P. J. A. CARDIN (Minister of Public Works) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to authorize the Minister of Public Works on behalf of His Majesty to enter into an agreement to pay to the corporation of the city of Ottawa the sum of $100,000 for the year ending July 1, 1940.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

Mr. CARDIN: Mr. Chairman, this resolution precedes the introduction of a bill to provide for the extension for another year of an agreement between the Minister of Public Works and the city of Ottawa for the payment of $100,000. For a number of years past the federal government has been contributing certain sums of money to the city of Ottawa for certain purposes. These contributions started as far back as 1889. Since that time contributions have been made each year by the federal treasury to a commission which was organized to look after certain things in Ottawa, such as maintenance of

streets, maintenance of bridges and so on. In 1919 it was decided that the federal government would contribute $75,000 to the corporation of the city of Ottawa. The idea was to make a settlement of a claim which had been made upon the Department of Public Works based upon certain representations by the city of Ottawa that the federal government should reimburse the city for the opening up of certain streets, loss of taxes, protecting certain public buildings against fire, supplying water, sprinkling services and so on. In that year it was decided that in consideration of this sum of $75,000 a year the city of Ottawa would abandon all claims against the federal government. I cannot remember at the moment the total of the claim, but it was considerable.

Mr. HANSON (York-Sunbury): They preferred to take cash.

Mr. CARDIN: Yes. If my memory serves me aright, in 1925 this amount was raised from $75,000 to $100,000. The agreement has been renewed each year since that time, and the purpose of the bill which will be based upon this resolution is to authorize the Minister of Public Works to renew the agreement for another year.

Mr. HANSON (York-Sunbury): This resolution is a hardy annual. I do not think there is any objection to extending this agreement from year to year, but I hope the minister will regard the settlement as more or less final and conclusive. I am aware that the Ottawa newspapers and the Ottawa citizens make allegations from time to time that it is not enough. I never could understand the basis upon which this amount of $100,000 was arrived at. The agreement has never been itemized, but I understand that it covers the expense of keeping up certain approaches to these buildings, the supplying of certain water —not all the water used by the government by any means—and other items. The government also pays considerable amounts for taxes and water rates on buildings belonging to foreign legations and other buildings of that kind. I would not have it go out that this is the only amount that the government contributes to Ottawa. The bill to be founded on this resolution does not cover the vote to the commission which has jurisdiction over the driveways.

Mr. CARDIN: No; that is $150,000.

Mr. HANSON (York-Sunbury): I think we can well renew this agreement for this year, but I do trust that the extravagant demands which are made from time to time will not be repeated. Different governments, having regard to their financial ability, have contributed to the beautification of this capital city. That is quite proper, but at the same time I wish the government would give consideration to the beautifying of its property in other capital cities of this dominion. I have in mind my own beautiful little city where the government owns a whole block right in the heart of the business section between the river and the main business street. In that block is located the customs house, the post office, what used to be called the officers' quarters and a public square used in connection therewith. These grounds are not adequately lighted and are not always kept up; in fact, they are much neglected. I hope the minister will give consideration to spending just a little money on these grounds in the city of Fredericton.

Mr. HOMUTH: Could the minister give us some idea of how much money the government spends each year in Ottawa? There is this $100,000, and then the minister referred to another $150,000 for the federal district commission. I have in mind the expenditures for tearing up the sidewalks and laying the pavement around parliament hill which were borne by the government.

Mr. CARDIN: Apart from this $100,000 which is paid to the city of Ottawa under this agreement, the federal government pays to the federal district commission, which is under the Department of Finance, the sum of $150,000 for maintenance of parks and other beautification projects in the city. Then we pay for the water used in our buildings at the rate of 13 cents per 1,000 gallons up to 200,000 gallons, after which the rate is 10 cents per 1,000 gallons. Under this agreement it is the responsibility of the government to maintain Connaught bridge between the parliament buildings and the Chateau Laurier. We maintain also Laurier avenue bridge over the railroad tracks and a bridge crossing the river to Hull from the western section of Ottawa. We also maintain the pavement and sidewalks on Wellington street from Connaught place to the old Perley property. These are the annual expenditures that the government makes in Ottawa.

As the leader of the opposition (Mr. Hanson) has said, this was not a settlement of a detailed account. The Minister of Public Works of the time discussed with representatives of Ottawa their famous claim for compensation for loss of taxes because the government had taken over properties which formerly had been paying taxes to the city. The amount of $75,000, now $100,000, was settled upon as a sort of compromise; and in that compromise the Minister of Public Works and the government of the day accepted responsibility for looking after the services I

have indicated, the maintenance and repair of pavements and certain sidewalks. So this sum of $100,000 is really the result of a compromise between the government and the city. As to the suggestion of the hon. leader of the opposition, I will do the best I can to throw a little light into that dark corner which he has indicated exists in his city.

Mr. ROSS (St. Paul's): Does the federal government pay taxes on its buildings in other cities?

Mr. CARDIN: No.

Mr. ROSS (St. Paul's): And no compromise has been arrived at with other cities?

Mr. CARDIN: No such rule applies elsewhere than in Ottawa. The government of the day and all succeeding governments, I suppose have felt that they should be a little more generous to Ottawa as it was the capital of the country. Besides, if the argument that is made holds good, it is much stronger in Ottawa than anywhere else because in this city the federal government has taken over large areas of land and thus deprived the city of loss of revenue from taxation which they were previously collecting. The city of Ottawa thought, and still think they are justified in claiming compensation from the government, particularly on the ground of loss of revenue through the taking over of property by the federal government. Although we have very important property in other cities, it is not comparable at all with the property that has been taken over by the federal government in Ottawa.

Mr. HANSON (York-Sunbury): I believe the minister has correctly stated the principle on which this demand is made, and I think we ought to be fairly generous with the city of Ottawa having regard to our other commitments. The only question I have to ask the minister is whether there has been any enlargement or extension of the arrangement with the city, or is this identically the same agreement as in other years?

Mr. CARDIN: It is identically the same, and has been so ever since 1920.

Mr. ROSS (St. Paul's): I appreciate the reasons which the minister has given for this agreement and the fact that the city of Ottawa is losing taxes on property taken over by the government. At the same time we must not lose sight of the fact that were it not for these large federal public buildings and other governmental expenditures here, the city of Ottawa would not have its present taxing power on individual citizens. I have always thought that this $100,000, as well as the $140,000, paying for the water, fire service, inspection and a few things like that, was a substantial sum of money to give to Ottawa. Not only that, but all governments have kept in view the beautifying of the city, and over the years have spent millions of dollars in beautifying Ottawa. It just strikes me that at a time when money is going to be so necessary for war purposes this might be one place where we might save a few dollars for the purposes of the war. It is very necessary that we should keep our dollars for the prosecution of the war, and I think every effort should be made by the government to cut down on expenditures which are not immediately necessary so that more money may be available for the war I would also point out that there are many public buildings in Toronto, Montreal and other cities which receive no compensation whatever from the government, nor do these cities have any federal moneys spent on them for their beautification. So this I think is one place where we might cut down on our expenditure and save a few dollars for war purposes.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 29, to authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

Motion agreed to and bill read the first time.

WHEAT COOPERATIVE MARKETING

CALCULATION OF INITIAL PAYMENTS TO SELLING AGENCIES—AUTHORITY FOR PAYMENT OF LIABILITIES AND ADMINISTRATIVE EXPENSES

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 20, to amend the Wheat Cooperative Marketing Act, 1939.

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

On section 1—Short title.

Mr. PERLEY: I propose, Mr. Chairman, at this stage to make a few general remarks on the bill. I stated on the resolution that I did not think there was any real demand for such a measure last year, nor do I think that Mr. Justice Turgeon's report recommends any such legislation. In fact, quite the contrary. He stated that the wheat board act was sufficient, especially in case of an emergency. There is nothing in this bill to encourage the cooperatives to keep prices up.

If this bill were confined to producers' organizations only, I would have no particular objection. The bill of last year did not help the individual producer. We have other acts, the wheat board act in particular, which provide every facility for the marketing of grain, and our western pools are well organized.

I stated also on a former occasion that the act discriminates to a certain extent against independent private dealers, track buyers and so on. The amendment provides the minister with certain means of, so to speak, winding up the affairs of the cooperatives; and it defines certain terms, such as "producer" and "selling agent". But I would remind the minister that last year when the bill was before the committee, he stated definitely that it would provide a system of marketing grain which would be different from what we already had, and he remarked that it was more by way of an experiment. It seems to me, considering the statement he made on the resolution the other evening, that the experiment has not proved to be of much value. It has not been a success. We might also take into consideration the comments made on the measure last year by the western committee when they were here. I believe they met the minister and discussed another of the measures which he placed on the statute books. I hold in my hand a submission termed the "second submission" of the western committee to the government and to the minister. In dealing with what was then known as Bill No. 82, it states, at page 14:

> With reference to this bill, the committee wishes to say that it is its unanimous opinion that under existing conditions the method proposed is impracticable and no organization could undertake to cooperate successfully under such a selling agency as contemplated in the face of present marketing uncertainties.

We have the same uncertainties this year, and I regard the comments made by the western committee on the bill last year as proof that there was no real demand for it, certainly not from such organizations as the committee represented.

I am not going to labour the point. I have no particular objections to this amendment; it merely helps the minister to wind up the affairs of the cooperative or to arrive at some system of adjusting losses. But at the proper time, after these other amendments have been disposed of, I purpose moving an amendment to add a further section to the bill.

Mr. COLDWELL: Last year the producers of western Canada sent down a committee to interview the government regarding the wheat legislation which was then under discussion, including the bill, then known as No. 82, which it is now proposed to amend. It is perhaps worth while quoting what that committee had to say to the government at that time.

Mr. GARDINER: It has just been read into the record.

Mr. COLDWELL: Was it read? I could not hear it. If it has just been read, there is no need to read it again. But I was going to add that I have heard during the past year, or at any rate during the past six or eight months, arguments vindicating the position taken by the western committee at that time, and I believe the very fact that a greater amount of grain has not been marketed under this plan than was indicated by the minister confirms the correctness of the statement made last year.

One thing I should like to ask the minister is this. In the explanatory note he quotes paragraph (g). Last year it read:

> (g) "primary producer" means a person engaged in growing spring wheat in any of the provinces of Manitoba, Saskatchewan, Alberta or British Columbia.

I notice that the limitation has been left out. I assume, therefore, that this amendment will not be limited as in the other bill, but will apply to all parts of Canada where spring wheat is grown. I see no objection to that, but I should like to see the whole of our wheat marketing under a board representative of the producers themselves and with a guaranteed minimum price which would provide an adequate return. As I said the other day, producers of grain and other farm commodities in the other countries at war are all more or less protected in that manner. The nations at war realize that under these conditions agriculture is a basic industry as far as food production and the winning of the war are concerned. Only yesterday in Great Britain—where the circumstances are of course somewhat different from those in this country—the government, I notice, has provided an increase in the money standards of those engaged in agriculture. The money wage of farm labourers was increased by twelve shillings a week, to forty-eight shillings a week. That is a recognition that the people who work on the land are entitled to a better standard of living than they have been receiving all through the years. I remember that when I was a boy in the old land the man engaged on the farm was the lowest paid worker in the country. I can recall quite well a time when the farm labourer in Great Britain was paid twelve shillings a week, and out of that he kept himself and his family. It seems to me that in this country we have not yet arrived at the stage where we realize

that the man on the land is entitled to a proper, reasonable and decent standard of living.

I should like to see the whole marketing scheme for agricultural products placed under the appropriate boards. As far as marketing western wheat is concerned, particularly at this time, speculative marketing should cease and the grain exchange should be closed. I was disappointed at the announcement in the press that the exchange is to remain open until Aug. 15. I understood a week or ten days ago it was likely to be closed in the course of a few days; however, unfortunately, the government has decided otherwise.

If we are to have a cooperative plan of marketing, let it be cooperative. This particular plan is not in reality a cooperative plan. We in this country have got into the habit of calling all sorts of privately-owned concerns "cooperative organizations"—which in my opinion is a wrong use of the term "cooperative."

I should very much like to see the government reconsider this whole marketing system, particularly in view of the war situation, and place the entire marketing of, we will say "wheat" in this particular, under a board representative of the wheat producers themselves and satisfactory to the people who produce the product.

I repeat that I do not believe this act meets at all the needs of the western situation, and the experience of the past year thoroughly vindicates the opinion expressed by the so-called Bracken committee when it was here just over a year ago.

The CHAIRMAN: May I draw to the attention of the committee that the rules of the house provide that in committee we should confine the discussion to the subject matter of each clause? We are now on the short title. I did not want to interrupt hon. members who were speaking, but it will make for more orderly debate if we adhere to the rules. Hon. gentlemen will have an opportunity of speaking to the next clauses. I think clause 1 should carry unless some hon. member finds fault with the title.

Mr. COLDWELL: I was speaking to the title.

The CHAIRMAN: The short title is not the title of the bill.

Section agreed to.

On section 2—Primary producer.

Mr. NICHOLSON: In connection with paragraph (g), I notice that in the 1939 act "primary producer" is defined as a person engaged in growing spring wheat. Now "primary producer" has a much wider interpretation. Would the minister explain why the interpretation last year was so restricted?

Mr. GARDINER: Last year's act defines wheat as:

(j) "Wheat" means spring wheat grown in any of the provinces of Manitoba, Saskatchewan, Alberta or British Columbia.

It was not necessary to insert that a second time. The bill means the same as last year's act; only this definition of wheat was repeated in paragraph (g) last year. There is an amendment to this section which I would ask my colleague, the Minister of National Revenue, to move.

Mr. ILSLEY: I move:

That section 2 subsection (g) be amended by striking out the word "mortgagor" in line thirteen and substituting therefor the word "mortgagee".

Amendment agreed to.

Mr. STIRLING: I take this new wording to mean that it is to be applied to all provinces in Canada?

Mr. GARDINER: No; I explained a moment ago that in the original act, section 2, paragraph (j) defines wheat as meaning spring wheat grown in Manitoba, Saskatchewan, Alberta or British Columbia. In this bill "wheat" means spring wheat grown in those provinces.

Mr. STIRLING: If the names of the provinces are not mentioned in this new section—

Mr. GARDINER: Wherever the word "wheat" occurs, that definition applies.

Mr. NICHOLSON: In the act of 1939 "primary producer" was restricted to the person actually engaged in growing wheat. In this bill apparently it is extended to the landlord, vendor or mortgagee.

Mr. GARDINER: Paragraph (j) of the original act defines "wheat" as I have just stated. So that it means the same now as before.

Mr. NICHOLSON: But in the original act there was no provision for the landlord, vendor or mortgagee. Why is provision being made this year that was not made a year ago?

Mr. GARDINER: After this legislation was passed last year, the definition of "primary producer" in the wheat board act was changed to include persons who held grain under, say, the one-third crop agreement. One man delivers two-thirds of the crop because he grew it; another man obtains one-third under his rental agreement. This wording simply provides that both the renter and

the person who rents can deliver their grain, as well as others who are in similar relationship.

Mr. JOHNSTON (Bow River): But the two of them are restricted to a total of 5,000 bushels.

Mr. DIEFENBAKER: What is the meaning of the words in line twelve, "shall be deemed to include any person entitled, whether as landlord, vendor, mortgagee or otherwise or by contract or operation of law, to wheat grown by a producer or to any share therein"? What do the words "by contract or operation of law" contemplate?

Mr. GARDINER: I suppose any agreement entered into between two persons whereby one becomes possessor of grain.

Mr. DIEFENBAKER: By purchase?

Mr. GARDINER: I am not sure whether it would cover purchase. It might be a share crop agreement. I think that is mostly what is covered.

Mr. PERLEY: How about a non-resident landlord?

Mr. GARDINER: Non-residence would make no difference if he is entitled to a share of the crop.

Section as amended agreed to.

Sections 3, 4 and 5 agreed to.

Mr. DOUGLAS (Weyburn): What is meant by section 10, "coming into force"?

Mr. GARDINER: Section 7 of the original act, just as it was. That should not be dropped.

Mr. PERLEY: I should like to propose an amendment, moved by myself, seconded by Mr. Ross (Souris):

That another section be added to the bill, numbered 6, to this effect:

"6. This act shall not be operative after the 1st day of August, 1940, other than for the purpose of winding up transactions on agreements entered into as between the minister and the cooperatives for the crop year 1939-40."

Mr. GARDINER: Speaking to the suggestion, I should like to reply to some of the remarks made by the hon. member for Qu'Appelle (Mr. Perley) a few minutes ago. A statement which has been read to the committee as having been presented to the government by the Bracken committee last year is, of course, a correct statement of that submission at that time. But if hon. members will examine *Hansard* I think they will find that when this legislation was placed on the statute books last year, I stated to the house that members of that committee, first, those representative of the pool organizations and, following that, those representative of other elevator companies, came to me; and I think in fact I had placed on *Hansard* last year written statements from them suggesting that if this legislation were put on the statute books they would make use of it if circumstances so warranted. The legislation as then drafted, was placed on the statute books, the only difference now being the difference we have made by changing the different sections that have been changed by the committee tonight, and the last section of the bill as indicated here was a section to the effect that this legislation would come into effect only on proclamation. The only reason why it has been in effect during this last year is that every one of the pool organizations asked to have it brought into effect. The government did not bring it into effect of its own volition.

Mr. PERLEY: That is last year?

Mr. GARDINER: The grain year we are now in. Every one of the pool organizations and every one of the thirty-seven elevator companies organized under it asked to have it brought into effect. On the request of those organizations it was brought into effect, and they have made use of it. It would not be going too far to say that a considerable amount of wheat has been marketed under it this year, when one takes into consideration all the circumstances. Of the wheat that was delivered between the time the farmers started to thresh last fall and, say, December 1, I would say 95 per cent was delivered when the price was below 70 cents a bushel; and during that period of time any farmer who delivered wheat to an elevator could get 70 cents a bushel from the government for up to 5,000 bushels. Therefore there was no particular reason for him to deliver any of his wheat to an organization where he could get an advance of only 60 cents a bushel. So during all the time wheat was under 70 cents, naturally deliveries were made to the wheat board; but during the part of the season when wheat was above 70 cents, a few farmers may have decided that they would like to try out a cooperative organization which they themselves controlled rather than simply market through a board set up by the government.

So I say there is nothing strange about the fact that not very much wheat was delivered under this legislation this year. Perhaps the fact that any wheat was delivered is more a matter that should be explained than the fact that there was so little of it. Some other

year, if farmers knew they could always market their wheat at, let us say, 80 cents a bushel or more, and there was one piece of legislation under which the advance would be 60 cents if the farmers set up their own organization while there was other legislation under which the government would take the wheat and pay in advance of 70 cents, then there might be a choice made as between the two if the farmers believed that in all probability all the wheat would be sold at about the same price and they wanted to find out which system would be the better under which to market their grain.

Someone has said that this is not a co-operative measure. In reply I would say that with the exception of this there is no system of handling grain in Canada to-day that does provide for cooperation. We have wheat pools, it is true, but they are all operating elevator companies which are just like any other elevator companies.

Mr. COLDWELL: They are owned by the farmers, though.

Mr. GARDINER: They do not take the wheat, except under this bill, on a cooperative plan. They are receiving wheat like anyone else, for delivery to the wheat board. In other words, they are operating the handling facilities in order to take wheat from the farmer and deliver it to the wheat board, just as any other elevator company does. So there is no other legislation under which anyone is operating a cooperative. This legislation says to any farmer, "You can drive into any elevator that has organized itself, or along with others, to set up a central selling agency; and when you drive into the elevator you can say that you are going to take a 60 cent advance and put your wheat in with the wheat of all the other farmers who do the same thing. That wheat will go to the central selling agency which you select," and the farmers who send their wheat to that central selling agency are cooperating with one another in taking an advance of 60 cents and allowing their wheat to be sold by that agency. Each one is benefiting by the fact that they have cooperated in so marketing their grain and may obtain an interim payment, which is provided by the bill, with a final payment later on.

In other words, this legislation sets up a system entirely different from any other system under any other piece of legislation, and it provides a means of testing out three different methods, if our legislation and our controls remain as they are to-day. First there is the wheat board system; then there is the cooperative system under this legislation, and finally there is the open market system as it is operated through the grain exchange. These three systems have been in operation during this last year; and I repeat that with the price below 70 cents during the greater part of this year, nothing could have been expected but that most of the wheat would have been delivered to the wheat board. The farmers saw no advantage in doing anything else this year, except in regard to a small part of the wheat.

I suggest that this amendment should not pass at this time and that this statute should be allowed to remain in operation. If no one wants to use it; if as my hon. friend suggests, the wheat pools do not want to use it; if none of the elevator companies want to use it and none of the farmers want to use it, the solution is very simple. They do not need to deliver wheat under it; then it will not be used. They do not need to form central selling agencies under it; then these agencies will not be set up. The agreements are for only one year; and if none of these organizations want to take advantage of this legislation, they need not make the agreement next year. But I do not know why the hon. member for Qu'Appelle suggests that we should deprive these people of the right to use it if they so desire. Simply to read a statement made to the government before this legislation was drafted, to the effect that someone did not want it then, is not at all an argument, since most of the grain handling organizations in western Canada have used the legislation this year. Apparently they did want it; it was not used until after they had asked the government to bring it into operation, and they have been using it from that time up to the present.

Mr. FAIR: Would this act be used if the limitation of 5,000 bushels had not been placed in the wheat board act?

Mr. GARDINER: I do not know that I am in a position to answer that question. It was used, and the 5,000 bushel provision was in the act. I understand that some wheat was delivered under this legislation even apart from the 5,000 bushels.

Mr. DOUGLAS (Weyburn): I am inclined to think the minister cannot make a virtue out of the fact that some of the wheat handling organizations in western Canada have made use of this statute. There are two very simple reasons for that. The first, of course, is that if their competitors were going to use it, they had to use it as well. Take the pools as an illustration. If the line elevator companies were going to come under this legislation the pools had to be prepared so that if one of their customers came in—

Mr. GARDINER: The first to ask to come in were the pools.

Mr. DOUGLAS (Weyburn): Quite so, because the pools knew perfectly well that many of the line elevator companies would come under this legislation.

Mr. GARDINER: No; it was not in operation at all. The act had to come into force by proclamation.

Mr. DOUGLAS (Weyburn): But they knew it had been passed.

Mr. GARDINER: It was not in operation, and they asked to have it proclaimed.

Mr. DOUGLAS (Weyburn): But the pools knew it had been passed.

Mr. GARDINER: My hon. friend is putting up an argument to the effect that the pools had to come in because they knew the elevator companies were going to come in. The elevator companies did not suggest coming in until the pools came along and asked to have this act proclaimed, and they formed their organizations later.

Mr. DOUGLAS (Weyburn): The minister knows perfectly well, as most of us do, that the pools were in this position. This legislation had been passed by the house, and they knew that the line elevator companies would most certainly avail themselves of it. The pools had to be able to give their customers the benefits of this legislation, if those customers thought there were benefits under it.

The second reason why some wheat was sold under this legislation is that there was a 5,000 bushel limitation clause in the Canadian Wheat Board Act. When representations were first made by the so-called Bracken committee, it will be remembered that the first draft of Bill No. 63, as it was then called, had no 5,000 bushel limitation clause in it. But when later a new draft was brought in and the initial price raised to 70 cents, there was a 5,000 bushel limitation clause, which meant that the farmers in the heavy wheat areas had some wheat which could not be marketed through the wheat board, and must be marketed elsewhere. They had the choice then of either the open market, or this legislation, and I imagine most of them chose this legislation. That explains why probably the pool and some other organizations—

Mr. GARDINER: Not "most of them"—only three million bushels.

Mr. DOUGLAS (Weyburn): The minister has just said he is surprised that under the circumstances as much wheat was sold under this legislation as has been sold. I suggest that if the 5,000 bushel limitation clause had not been in the Canadian Wheat Board Act last year, there would have been even less wheat sold under this legislation than actually was sold. I do not think there is any doubt about that. And if the government were prepared during this session to take that 5,000 bushel limitation clause out, and put the initial price somewhere closer to the cost of production, the chances are that this legislation would not be used at all. As a matter of fact, it would have very little value.

Mr. GARDINER: Just by way of correction, I have checked the records showing the order in which these central selling agencies were formed. The first organization to form a central selling agency was the United Grain Growers Limited, a farmers' company which operates out of Winnipeg; the second one was the Saskatchewan Cooperative Wheat Producers Limited of Regina and the third was the Alberta Wheat Pool, of Calgary, Alberta.

The first purely private elevator organization that was set up under the legislation was set up one month, all but one day, after the Saskatchewan pool came in. I make this statement so as to clear up the suggestion that this was a matter of the elevator companies being likely to come in, and then other people asking to come in. The farmers' companies came in first, and one of them was in a month or six weeks before the line elevators came in. Another one was in a month before, and a third one about three weeks before.

So that the position is reversed, in so far as the order in which they came in or the order in which they desired to come in is concerned. When they asked permission to come in under the act, the act was proclaimed, and these different organizations set up and operated under the legislation. It is true that probably one of the reasons for that was the fact that certain people were not able to market under the wheat board a certain part of their wheat, i.e. that part which is over 5,000 bushels. Some of that was delivered to the organizations set up in this manner. That may have been one of the chief reasons for wheat being brought in this year, but it is not a reason for saying that this legislation has now had a fair trial before the people of western Canada.

There was no opportunity during the last year to have used this legislation at all, except for the purpose outlined a moment ago. And having been proclaimed for that purpose, there was probably some other grain put in during that period of time. In order to give it a proper trial, it would have to be operative when the price of wheat throughout a whole

year was higher than the advance either under this legislation or under the wheat board act. Then farmers would know that they were going to get more than 70 cents, no matter what happened, and they could then make the choice as to whether they would take 60 cents in advance, under their own organization set up in their own way, or whether they would take 70 cents advance under a government organization. There must be some test as to which of these pieces of legislation they desire most. There was no test during this last year.

Mr. DOUGLAS (Weyburn): I am partly in agreement with the minister in respect of what he said during the latter part of his observation. But I point out to him that a mere recital of the chronological order in which these different organizations came in under the scheme does not destroy the validity of my argument. The minister is not suggesting for a moment that line elevator companies ever came in merely because pools had suggested their intention of coming under this legislation.

Mr. GARDINER: You were suggesting the reverse, and I am straightening you out.

Mr. DOUGLAS (Weyburn): No, I was not. I am suggesting that first of all these pooling organizations already had their own pools or associations. It was no value to them to come in under this legislation. They already had such organizations. But they knew that an act had been passed, and they knew that many of their customers with an excess over the 5,000 bushel limitation, would want somewhere to market it, and that many of them would desire this cooperative form of marketing. As long as the 5,000 bushel limitation clause remains, there will be a field of operation for this act.

Mr. GARDINER: For that reason this amendment should not be passed.

Mr. DOUGLAS (Weyburn): But I do urge the minister to take into consideration the acceptance of delivery of all wheat by the wheat board at a guaranteed price. As suggested the other day, there are three ways of marketing wheat: There is the open market, the cooperative way and the wheat board. In a time of war, and in view of the fact that Great Britain is taking steps to buy wheat through one agency, in company with France, and the fact that Australia has nationalized the handling of wheat, this would look like a good time for the Canadian government to take steps to buy all wheat through one board, to market through that board and to dispose of these other facilities.

Mr. GARDINER: In respect of that I suggest that this legislation does not in any way interfere with any decision the government may wish to make with regard to the placing of all the wheat under the wheat board. I believe it was yesterday the statement appeared in the press, and I think it was announced to-day by the Minister of Trade and Commerce (Mr. MacKinnon), that the Winnipeg grain exchange would not be closed until the end of this crop year, namely, until August 15. But no announcement has been made as to anything that will happen beyond that date. In other words, the method of handling the n w crop has not been announced by anyone. The matter is still under consideration as to what will be done. However this legislation in no way interferes with the decision one way or the other in that connection. The legislation as we are suggesting it now simply means the present crop year and makes it possible for us to make a payment if there happens to be a loss. Last session we neglected to put that section into the bill. The only reason why we have got it down this session is to make it possible to make a payment if there happens to be a loss on the wheat handled this year. If action is taken, it is suggested this legislation will not operate —or any other legislation—as long as we are taking full delivery of the wheat.

The CHAIRMAN: I would draw attention of hon. members to the fact that we are discussing the amendment, which states that the act shall not be operative after August 1, 1940.

Mr. DOUGLAS (Weyburn): We have been discussing whether the act should be terminated, and whether it has fulfilled any useful function.

The CHAIRMAN: The question is on the amendment. Mr. Perley has moved that another section, to be known as section 6, be added to the bill, and that that section shall state:

> This act shall not be operative after the first day of August, 1940, other than for the purpose of winding up transactions on agreements entered into as between the minister and cooperatives for the crop year 1939-40.

Therefore the question before the committee is whether this act should be operative after the first day of August, 1940.

Mr. DOUGLAS (Weyburn): Exactly.

Mr. ROSS (Souris): In view of the amendment and all that has been said, I feel quite satisfied that these cooperatives are simply cluttering up our wheat marketing system. I am convinced that the present wheat board has not functioned as it was anticipated it would. As has been pointed out by previous

speakers, we have three systems of marketing our wheat; and I think the sooner we eliminate the cooperatives, close up our grain exchange and have the wheat board functioning as most people in the west anticipated it would, that is, have our wheat handled at a price which will compensate the producer for his labour and investment, the better off we shall be as a nation. We want a price set which will compensate the producer for his work, a price considerably higher than has been discussed this evening. We should like to see these other departments eliminated as soon as possible and have the wheat board handling our wheat as it should be handled.

Mr. PERLEY: I do not think it is necessary to labour this question any further. The statement which the minister has made proves conclusively that no useful purpose will be served by this legislation. The hon. member for Weyburn (Mr. Douglas) and others have presented arguments which substantiate the stand I am taking and the amendment I propose. I should like to have had more information from the minister, but possibly he would be out of order if he answered all my questions. I should like to know the number of bushels handled by each one of the cooperatives, the Saskatchewan pool, the Alberta pool, the United Grain Growers' and others. According to the statement he gave the other day, the Saskatchewan pool handled most of the 3,000,000 bushels, and this would seem to prove that they came in purely for the purpose of accommodating many of their customers who were not members of their pool but who came in with 5,000 bushel lots. We should have had more information with respect to the standing at the present time of the cooperatives and the extent of their holdings. It may be that they will secure such profits that there will be no need for this bill to provide payments for losses. I think it quite possible that the minister knows how much wheat these cooperatives hold at the present time, and a statement with respect to that would be quite interesting. Surely he has this information, especially when he is putting through legislation such as he proposes. I am prepared to allow the matter to go to a vote or whatever else the minister proposes to do.

Mr. WRIGHT: All this bill does is to authorize the setting up of a number of small pools. This is an entirely wrong principle, and I do not think the farmers of the west are in favour of it.

Amendment (Mr. Perley) negatived on division.

Bill reported, read the third time and passed.

[Mr. J. A. Ross.]

SUPPLY

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

DEPARTMENT OF NATIONAL REVENUE

213. Customs and excise divisions—Customs excise chemical laboratory, $42,145.

Mr. STIRLING: Where is this laboratory, what is its purpose and is it the only one in Canada?

Hon. J. L. ILSLEY (Minister of National Revenue): I simply wanted to call a non-contentious item for the purpose of getting into supply. This laboratory is on Queen street in Ottawa and is the only laboratory of the Department of National Revenue. It discharges a varied number of functions. These chemists analyse a number of different substances, notably sugar and liquids alleged to contain alcohol.

Mr. HARRIS (Danforth): As the minister knows, similar work is carried on by the chemical laboratory of the Department of Pensions and National Health, under the authority of the drugs act. There is a lack of expeditious conclusion in connection with the analyses which the minister's department makes. This tends to hold in bond shipments of goods which must be analysed before release. When a shipment of goods arrives in Canada, it remains in bond until instructions are received from the laboratory that it meets the requirements of the act. As an example I would refer to shipments of gelatine which have come in from Australia. These are in bond and will not be released until such time as the departmental chemists say that they are in line with the restrictions laid down by the act. The net result is that the importers cannot fill their orders even though the goods are actually in the country.

I bring particularly to the attention of the minister the delay, amounting sometimes to as long as five or six weeks, in getting a simple analysis made of the nitrogen content of products of that kind, and I would ask him to give the committee some detail as to the personnel employed in the Queen street branch, the degree of cooperation which they have with the Department of National Health and what cooperation they have with the chemists in the national research council. I think it is high time that the work of the chemical laboratories in the different departments in the city of Ottawa was consolidated. As the situation is now, each department seems to have a laboratory of its own answerable to its minister, and in turn the laboratories in the other departments are answerable to their ministers, the result being a great duplication.

of work and of ideas. There should be some consolidation of the work which is being done by the various chemical laboratories in the city of Ottawa.

I plead particularly that during these difficult times, when it is by no means easy to get bottoms to bring to this country products which we do not manufacture in Canada, they should be cleared as quickly as possible, and not be held up for weeks awaiting simple laboratory tests by the department.

I have no objection to this particular increase because I know the work which the department is doing.

Mr. ILSLEY: I am not sure that I can remember all the questions which the hon. gentleman asked me. He spoke of gelatine. The analysis of gelatine is made by the chemists of the Department of Pensions and National Health, under pure food legislation, and not by the chemists of the Department of National Revenue. I am aware, however, that in saying that I am giving some support possibly to his own argument that there should be more unity in organization for chemical analyses by the different government services.

I am not aware of all the reasons that were given to parliament in 1928 or 1929 when the national research council was set up, but I believe it was thought at that time that the national research council could be so organized that these different laboratories could be brought within it. But that has not been done, and when attempts have been made to get all the laboratories under one roof, very strong reasons have always been presented against it by the departments.

Mr. STIRLING: By each department.

Mr. ILSLEY: By each department concerned. So far as our own laboratory on Queen street is concerned, I have no reason to think that they are not doing efficient work, or that the government is not getting good value for the money expended there.

Mr. COLDWELL: What is the procedure followed in prohibiting the admission of patent medicines into this country. I imagine that would come under this department. I know of cases of people who probably were getting some benefit from certain medicines they had been importing and they felt that their prohibition was a deprivation. On the other hand, I know from personal experience of alleged patent medicines coming in for which large prices were charged and the people who were taking them were more or less victimized. These patent medicines were brought in from the United States. I am thinking of one which the department prohibited of which I had some personal knowledge. I was wondering how these decisions were arrived at, and if this is the particular department which deals with that matter. To what extent is prohibition invoked to protect the Canadian public from being victimized, and also what measures are taken to ensure a supply of medicines which people are in the habit of feeling that they need.

Mr. ILSLEY: I am not familiar with all the acts, such as the Proprietary and Patent Medicines Act and others which are administered by the Department of Pensions and National Health, but if under that act or under the regulations made under the act by the Department of Pensions and National Health a particular medicine is prohibited, we act as policemen and see that it is not delivered to the importer.

Mr. COLDWELL: Does the minister's department do the laboratory work?

Mr. ILSLEY: No.

Mr. HARRIS (Danforth): Perhaps the minister would give me an answer to the question I raised concerning what seems to be a new restriction laid down by the department. Previously reputable firms could clear their goods, a sample only being retained by the department for subsequent analysis. If later it was found not to be in accordance with certain standards, the goods were put in the category where they belonged and extra duties levied. Reputable firms then had an opportunity of arguing their case, checking the analysis, and if they felt they were at fault they paid the extra charges. But in the last year, under some new regulation or restriction, no goods can be cleared until the analysis has been completed. Would the minister give us some information on that?

Mr. ILSLEY: If the hon. gentleman will give me some instance he has in mind, I will check up and see whether that is the case. I am not able at the moment to say whether that is the general practice or not, or whether it is done just in some particular instances. If the hon. gentleman will give me a case he has in mind, I will find out whether there is anything wrong with the rule or practice.

Mr. HARRIS (Danforth): I would not say that there is anything wrong with the rule or practice, but a departmental rule or regulation has been laid down with which the minister may not be familiar. The case I bring forward is this. Gelatine was coming from Australia to Canada, and delivery was promised to the customer at such and such a time when it was known that the gelatine was in the bottom and on the way over here. When it gets here, it is held up under some departmental regulation or restriction for

five or six weeks, a condition which did not obtain previously, with the result that the importing company find themselves in a very difficult position, having said that the goods would arrive at such and such a time. Then when the goods arrive, they are unable to clear them. In these difficult times particularly, when it is difficult to get shipment of goods of a class or kind not produced in Canada, I think the department should be a little lenient in the case of reputable firms which are supplying us, say, from Australia at the present time.

What are the extra chemist and the extra clerk doing in the department?

Mr. ILSLEY: These two officers are not really additional. They are temporary officers who have been made permanent, so that the list comprises fifteen instead of thirteen permanents.

Mr. HARRIS (Danforth): There is extra money required to pay a salary of $1,800. Was this man on the staff last year?

Mr. ILSLEY: There is an additional junior chemist who was previously employed as laboratory assistant. The increase in permanent salaries of $3,210 is on account of this additional junior chemist being employed at $1,800 per annum because of the increase of work; a temporary clerk at $720 being made permanent; and statutory increases, $690. The chemist is engaged in the ordinary or general work of a chemist at the laboratory.

Mr. HARRIS (Danforth): I wish to make one general observation with regard to the employing of extra personnel in government departments. We are now at a very difficult time; we have established a new ministry of munitions and supply; we shall probably have to establish other ministries before we go much further. I have in mind also that before long there will probably be a ministry of home defence. All these new ministries and departments will surround themselves with different classifications of assistants and help of one kind and another; with the net result that, when this difficult conflict we are now engaged in is over, we shall find our civil service expanded to a very great degree. I would say to the Minister of National Revenue, whose department is more or less constant and perhaps not so much concerned with the prosecution of the war as is, for instance, the ministry of defence for air and the ministry of munitions and supply, that such departments as his should be careful to the extreme to see to it that they do not add too many permanent employees to their personnel, so that when, after this conflict is over, we start to break down the very heavy civil service we shall then have, he will, rather than have his department loaded 100 per cent with permanent employees, be able to leave room for some of those who will be coming out of other departments which have been temporarily established.

We find throughout the estimates that personnel has been added in practically every department. Some departments, for example public works, have declared a holiday as regards expenditures. That department is not concerned in this item, but I use it as an illustration. Yet the civil service personnel in that department still carries on at the same old place. On general principles I object to the increase in the Department of National Revenue of even one chemist and one clerk, having in mind the day when we shall probably have to dissolve other ministries which are now being set up. It seems to be a habit in Ottawa that, once an appointment is made, that appointee surrounds himself with a messenger, a stenographer and a clerk, as well as office space, and is there seemingly for all time. That state of affairs obtains in this particular phase of the work; the minister in his statement admitted it.

We have chemical laboratories in all departments, although the same kind of determinations is being made and the same apparatus employed for making those determinations. We find one on Elgin street, another at the other end of the city, yet another on Queen street. If you go into these laboratories you will find the same chemical equipment in each. Yet that equipment is probably not in use for more than five per cent of the time, and the actual space where the determination is being made is probably not occupied for more than five per cent of the time. That condition obtains in the Department of Agriculture, in the forest products laboratory, in three or four branches of the national research council, in the department of national health, and I do not know how many other places. It constitutes a waste of space, a waste of equipment, and to a degree, undoubtedly, through lack of coordination and consolidation of services, a waste of the time and talent of the highly-paid employees who are doing this technical work. In other words, of the men equipped with knowledge to make the determinations to which I have referred, some are out at the experimental farm determining the nitrogen content of No. 1 hard wheat; others having the same knowledge are to be found in the forest products laboratory on Elgin street determining the values of nitrogen and ammonia in the breaking down of the products analysed in that institution. They

are highly trained and expensive men, using costly equipment, but not all used in an efficient manner.

I realize that this is a very small item to complain about. I know that the minister's department is doing good work. He is furnished, I had almost said "blessed", with an efficient staff, particularly his senior officers. They are able men, but they should have an eye to business and to present conditions, and the minister should pursue the idea which was brought to his attention some years ago, and see if he cannot effect some consolidation, not only to cut out the waste, but so that when the time comes to demobilize extra departments, there will be places and opportunities for those who are surplus elsewhere to find vocations in the civil service.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Administration service—

1. Departmental administration, $120,005.

Mr. SENN: Would the minister explain the additions which have been made during the past year to this staff, particularly in view of the address to which we have just listened from the hon. member who is seated beside me?

Hon. J. G. GARDINER (Minister of Agriculture): All the additions are shown on page 59 of the main estimates. The first one is a clerk—seven clerks instead of six. There is a reduction in stenographers, noted just above that item, from three to two. The next is an increase in stenographers from one to three. The next is an increase in clerks from two to three. This makes four more now than last year.

Mr. MacNICOL: Are these extra employees being taken out of departments which are more or less defunct at the present time or doing very little. Two or three days ago I read in an article that the government contemplated taking clerks, stenographers and other employees from departments in which at the present time they are doing little or nothing, and putting them into other departments where there is an increase of work. For instance, were any of these taken from other departments?

Mr. GARDINER: Two of them were transfers from other departments, and two temporaries made permanent.

Mr. STIRLING: How is the minister able to say that telegrams, telephone and postage, and travelling expenses, will be successfully cut by $5,500, which apparently is just the amount by which he has raised salaries, from the deputy minister to the stenographer?

Mr. GARDINER: The cut in cost is largely on account of the use of air mail instead of telegrams.

Mr. STIRLING: Travelling by airmail?

Mr. MARSHALL: In 1938-39 the same grant was given of $120,000, and only $99,000 expended. Is the minister in a position to tell us the amount of the grant that was not used in the fiscal year ended March 31, 1940?

Mr. GARDINER: In the departmental administration statutory increases account for $1,800, assistant deputy minister, $4,800. That is not an actual increase; a new person has been appointed at $4,800, but the assistant deputy who was superannuated was getting $5,400. Stenographers, grade 2, $1,080; positions transferred, $2,205; positions made permanent, $1,800, and adjustment of statutory increase, $15, make a total of $11,700. Then there is to be deducted from that, adjustment of vacant positions, clerk grade 4, to minimum of class, $120; position dropped, stenographer, $1,380, assistant deputy minister, $5,400, making total deduction of $6,900, which leaves a total increase of $4,800. That is the explanation of the first item. I can give the details of all right through if it is desired, but they are all made up in just that way, small increases and decreases.

Mr. MARSHALL: It is not my desire to get those figures, but the report of the auditor general for the year ended March 31, 1939, shows that the sum of $20,000 was not used. Of this amount of $120,005 for the year 1939-40, how much was not used? In other words, could we not have a saving of about $20,000 in these departmental expenses for the coming year?

Mr. GARDINER: I am informed that the statement of the amount not expended out of last year's vote is not available until July 15.

Mr. NICHOLSON: Regarding the item of $16,140 for temporary assistance, what is the number of persons employed?

Mr. GARDINER: That is just continuing from where I was reading before:

Temporary salary statutory increase to office boys	$ 330
Secretary to executive	1,740
New positions	3,720
Total	$5,790
Less:	
Positions made permanent	4,200
Balance	$1,590

Mr. NICHOLSON: The information I should like to have is the number of temporary assistants the minister had last year and the number he proposes to have this year?

Mr. GARDINER: In my own office the number last year was three, and it is three this year. In the general administration the number last year was twelve; this year, fifteen.

Mr. STIRLING: The minister did not answer my question as to how he is able to estimate a reduction of 35 per cent in travelling expenses.

Mr. GARDINER: We intend to have the travelling expenses this year cut to the very minimum because of the fact that it was necessary to cut $5,000,000 off our total expenditure this year out of $18,000,000, and in doing so we are cutting travelling expenses along with everything else.

Mr. STIRLING: Was the amount voted in 1939 all expended?

Mr. GARDINER: Not totally, but there was a much larger amount expended last year than will be permitted this year.

Mr. BLACKMORE: I am wondering what happened to that $20,000 mentioned by the hon. member for Mackenzie (Mr. Nicholson). Does that come back to the money available to the department to be expended, or does it go into the consolidated revenue fund? Would the department have that surplus which it might use for some other purpose?

Mr. GARDINER: No, there is nothing which was not spent last year that we can spend this year without having it revoted.

The CHAIRMAN: Shall the item carry?

Mr. BLACKMORE: I would rather this did not carry to-night because I want to ask about a number of matters. I should like to know whether the salaries of the officials under the Prairie Farm Rehabilitation Act are included in this item.

Mr. GARDINER: No; there is a special vote for the Prairie Farm Rehabilitation Act. This is only for the general administration of the department. There are other administrative votes as well.

Progress reported.

On motion of Mr. Crerar the house adjourned at 11.05 p.m.

Tuesday, June 4, 1940

The house met at three o'clock.

NATIONAL DEFENCE

INQUIRY RESPECTING MOTION FOR COMMITTEE TO CONSIDER AND REVIEW DEFENCE OF CANADA REGULATIONS

On the order for government notices of motion:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister (Mr. Mackenzie King) when the notice of motion to set up a committee to study orders in council passed by virtue of the defence of Canada regulations will be taken up? I have had inquiries from hon. members desiring to speak upon it. I understand the committee is ready to be struck, and I had hoped that the motion might have been considered long ere this.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to have a word with my hon. friend about the motion. I hope to give him a definite reply to-morrow.

EUROPEAN WAR

THE BATTLE OF FLANDERS—STATEMENT AS TO COOPERATION BETWEEN CANADIAN AND ALLIED GOVERNMENTS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): During recent weeks, the world has witnessed lightning war in all its fury and frightfulness. It is difficult to believe it was only twenty-five days ago that Holland and Belgium were invaded. We vividly recall the immediate heroic resistance of those two nations to the terrific onslaught of the Germans. We know how magnificently Britain and France responded to their appeal for aid. We have seen the German forces employing the full might of concentrated warfare, and, with incredible losses to their own man-power and equipment, crush Holland and Belgium and invade a portion of France.

The unexpected rapidity with which nazi Germany wrought her work of destruction was due to the most carefully prepared plans for invasion, to sudden action at an hour of her own choosing, and to the volume and power of her armaments. It was due as well to inability to coordinate in advance adequate plans of defence with the neutral countries, because of the over-scrupulous and excessive care with which they sought to safeguard their neutrality.

We would perhaps do well to keep in mind that in addition to all this the quick success of the invasion was due less to the unforeseen suddenness of the attack itself than to wholly unexpected incidents in meeting the situation.

The all but incredible means whereby the enemy effected a breach in the allied lines was announced to the world by Premier Reynaud, of France, on May 21st. Its consequences were being met by the most determined resistance when, on May 28, to the consternation of the forces in the field, and equally to the people of Belgium themselves, the king of the Belgians capitulated, and obliged his troops to lay down their arms. The already vulnerable position of the allied armies was thereby rendered even more perilous.

Seldom, if ever, and certainly never in modern times, has a military force been so beset by its enemies. Open to long sustained mass attack from three sides, and from above, with the enemy employing in fiendish fashion the most powerful weapons of modern mechanized warfare, the situation for a day or two appeared more desperate than any with which either Britain or France had, at any time, been faced.

The restoration of the morale of forces thus threatened with annihilation, and the evacuation of the armies thus entrapped and surrounded, has been the outstanding feature of the past week. We now have before us a full account of how these results have been achieved. The story is one of the great epics of history. If there was cause for grave alarm in the rapidity and rapacity with which the nazi forces made the headway they did, there is, in what has been subsequently witnessed of the combined actions of the allied armies, navies and air forces, even greater cause for belief in the ultimate victory of the allied arms. If there is one thing above another which the battle of Flanders has demonstrated, it is that in what the allied powers have displayed of effective cooperation, of initiative and resource, valour and tenacity, in these most critical of all days, we have grounds for believing that, as time goes on, they will be found more than equal to any set of circumstances and conditions that may hereinafter arise.

During the period of time to which I have been referring, it is obvious that for military reasons it was not possible for the government to make any statement with respect to the disposition of Canadian military, naval and air forces brought about as a means of affording more effective cooperation with those of the allied forces overseas. I am now in position to make a statement, which of necessity must be general in its terms, but which will, I am sure, be welcomed by this house and by our country as evidencing the carefully planned cooperation there has been, at every stage, between the Canadian and allied governments.

First of all a word with regard to the Canadian troops overseas. The Minister of National Defence (Mr. Rogers) has already given to parliament a statement with respect to the use it was intended to make of the Canadian troops in Norway, of their being in readiness for embarkation from Scotland, and of the circumstances which occasioned a change in the original plan. One reason for the change of plans has since become apparent in what has taken place on the continent.

Since the invasion of Holland and Belgium, our Canadian troops on more than one occasion have been at embarkation ports, under orders to join the British expeditionary force and the French armies in their desperate struggle in northern France and Belgium. On the most recent occasion, General McNaughton, accompanied by selected officers of his staff, carried out a personal reconnaissance of the battle area, and on his return rendered a most valuable report to the chief of the imperial general staff and to the war cabinet. That the Canadians were not dispatched was due entirely to the conclusion reached by the chiefs of staff.

As the possibility of the invasion of the United Kingdom itself has become more apparent, Canadian military forces in England are being employed in the way in which it is believed will best serve in the defence of England's shores, or in the reconstitution of a fresh field force in France.

The invasion of Holland, Belgium and France and the possible invasion of the United Kingdom has necessitated other means and methods for cooperation between our own and the British military forces. To mention only one, by way of example: We were asked by the British government if we could arrange to have some of our troops sent to the West Indies area, in order to free for service elsewhere some of the British regular forces stationed in that area. The request was immediately met. A contingent of Canadian troops was sent to the West Indies, convoyed part of the way by the Royal Canadian Navy. This Canadian contingent is now on active service there. Of other dispositions requested and being met, I am not free to speak at present.

The house has already been informed of the assistance given in the present emergency by the Royal Canadian Air Force to the Royal Air Force in Britain, through the dispatch and safe arrival of the advance party of a second army cooperation squadron. In

order to speed up the supply of air personnel for active service, arrangements are in hand to dispatch overseas a fighter squadron, equipped with aircraft. A number of pilots recently graduated from Camp Borden, who were intended as instructors for the training plan, are also proceeding overseas.

To help meet the urgent requirement of planes, the government made available to the Royal Air Force part of the equipment which was in use, or on order, for our own air force, or in connection with the British commonwealth air training plan. This equipment included fighter planes now being used for home defence. Further fighters being manufactured in Canada for the Canadian government were diverted to the use of the United Kingdom government, also certain engines immediately available for dispatch overseas, and, as well, some Blenheim bombers which were in England ready to be shipped to Canada, and additional bombers which were on the sea en route to Canada, and which were sent back to the United Kingdom.

As the house is well aware, the filling of orders for aircraft of the types mentioned takes a long time. Some of the orders which are being filled at the present moment were placed a year or more ago. They have served to increase the number available in the United Kingdom in the present emergency. I have in my hand a communication recently received from the secretary of state for dominion affairs in which he makes mention of the fact that a number of aircraft—I shall not specify the particular craft or the number—due for delivery in Canada were en route at the time—I quote:

> . . . Our urgent need for all operational aircraft was made known to the Canadian government. We learn that the Canadian authorities have turned around the ship containing these aircraft, and I wish to express the thanks of the United Kingdom government for this very helpful action. May we assume the Canadian government will be prepared also to forego for the time being the delivery. . . .

Of a certain number of aircraft.

> Such decision would be gratefully appreciated.

I may say to the house that the government ordered the ship containing the aircraft to be turned back without waiting for a request from the British government, and the communication which I have just read is one expressing the warm appreciation of the British government of that voluntary action on our part.

I come now to the special assistance which the Royal Canadian Navy has been able to give and is giving at the moment, not off the coasts of Canada, but in British waters. As a result of cooperation with the Royal Navy a rearrangement of forces has been put into effect whereby certain Canadian destroyers are now serving with the Royal Navy in United Kingdom waters. Their place has been taken by certain units of the Royal Navy assigned to service protecting our Atlantic seaboard. This rearrangement will, it is believed, have the advantage of making certain operations more effective. The house will readily understand the reasons why no further particulars can be disclosed at the present time.

I should like to read to the house the message which I sent to the senior officer commanding the Canadian destroyers shortly after they had left our shores:

> In this hour when the skill, the strength, and the will-power of the combined allied forces are so greatly needed to cope with the diabolical warfare of a wholly unscrupulous and brutal foe, Canada will be proud indeed when she learns that, as the enemy pursues his endeavours to invade the British isles, destroyers of the Royal Canadian Navy have crossed the Atlantic to be in immediate association with the Royal Navy in the United Kingdom waters.
>
> I send to you and to the men under your command the proud assurance that the government has every confidence that, in your resolute hands, the honour of the Royal Canadian Navy, the traditions which it has inherited, and which it has created, are safe and sure. This confidence will be shared with equal pride by all of Canada once the Canadian people become aware of the presence of Canadian destroyers in British waters.
>
> You will be supported in your noble mission by the continued and utmost cooperation of all branches of the defence forces of Canada and by the single purpose of the Canadian people in this war. Whenever duty may call you, our thoughts and prayers will be with you all.
>
> W. L. Mackenzie King.

In conclusion, may I say that what I have to-day set forth does not represent the extent of commitments which, during the present emergency, Canada has sought to meet in compliance with special requests from the British government. With respect to all three defence services there are other commitments concerning which it is not yet possible to make announcement, but which have been, or are, in process of being carried out.

May I say just a word with regard to the report that the Vimy memorial has been destroyed. I have been in communication with our high commissioner in London and the word I have received from him is that neither the war office nor the air ministry have any information regarding the Vimy memorial. The air ministry are investigating the matter. Up to the present time no word has been received which would confirm the report that the memorial had been destroyed.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I am sure we shall all be encouraged by the narration of events

given by the Prime Minister (Mr. Mackenzie King) this afternoon and the announcement he has made with respect to Canada's participation. He was good enough on one or two occasions recently to inform me personally of what had taken place, and I hope he will continue that practice.

I have very little, perhaps nothing, to add to what the right hon. gentleman has said with respect to Canada's participation. But I should like to read to the house a short extract from the speech which the Right Hon. Mr. Churchill made in London to-day. This is in part what he said:

> We shall never surrender and even if, which I do not for a moment believe, this island or even part of it, is subjugated and starving, then our empire across the seas, armed and guarded by the British fleet, will carry on the struggle until, in God's good time, the new world in all its strength and might sets forth to the rescue and liberation of the old.

In my humble opinion those ringing words constitute a challenge to Canada.

Mr. MACKENZIE KING: Mr. Speaker, may I add this word of information which I asked for just before I came into the house. The particular aircraft that were returned in the manner I have described when they were on their way to Canada were ordered by the Department of National Defence in April, 1939. It was not until the last week or two that it has been possible to get that order filled and, as I say, it was turned back to assist the British in the immediate crisis.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT ORDERS—OPPORTUNITY TO CONSIDER ALBERTA PROVINCIAL BANK BILL

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I desire to direct a question to the Prime Minister (Mr. Mackenzie King). Before asking my question it will be necessary for me to make, with your honour's permission, a brief statement.

An order passed by the house on May 21 provides that government orders shall have precedence at every sitting over all other business except introduction of bills, questions by members and notices of motion for the production of papers. It will be impossible under this order to consider private bills after their first reading. I quite understand that government measures dealing with the war must be given right of way during this session, but I trust that parliament is not going to refuse to give consideration to such an important private bill as the proposed act to incorporate the Alberta Provincial bank. The sponsors of that bill are the ministers of the province of Alberta. May I ask the Prime Minister if he will allow a day for the second reading and committal of that bill?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, there is no desire on the part of the government to do other than to seek to accommodate other governments where that is possible, and certainly it will be a pleasure to me to confer with my hon. friend and see if it is not possible to make some arrangement for the particular measure he has referred to being considered at an appropriate time during the course of the present session.

WHEAT BOARD

REFERENCE TO STATEMENT AS TO GRAIN EXCHANGE REMAINING OPEN AND SALE OF WHEAT TO BRITISH GOVERNMENT

On the orders of the day:

Hon. JAMES A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, yesterday my hon. friend the member for Qu'Appelle (Mr. Perley) referred to an article which appeared in one of the local newspapers to the effect that the Winnipeg grain exchange would remain open until the end of the present crop year, namely, July 31—I think my hon. friend used July 1 as the date, quoting from a newspaper—and also that 50,000,000 bushels of wheat had been sold by the Canadian wheat board to a buying agency of the British government. He asked whether I was prepared to make a statement on the matter and indicated certain points on which further details were desired.

The statement which I issued to the press on Saturday, and on which this article is based, was as follows:

> The Canadian wheat board sold yesterday to the buying agency of the British government 50,000,000 bushels of wheat at a price considerably above the present market. The government has decided not to close the Winnipeg market at least for the balance of this crop year.

In answering further, I wish to state that the parties to this sale were the Canadian wheat board and the cereals import committee of the United Kingdom. There was no intermediary between the wheat board and the cereals import committee. The sale was made direct. It is considered that it would not be in the public interest to disclose the price.

With respect to the continued operation of the Winnipeg grain exchange, neither the British government nor the cereals import committee has made representations to have the exchange closed.

MUNITIONS AND SUPPLY

REQUESTS FOR TABLING OF CONTRACTS AWARDED SUBSEQUENT TO APRIL 30

On the orders of the day:

Mr. J. H. HARRIS (Danforth): Mr. Speaker, the press of June 3 recorded the contracts awarded up until April 30, and the total moneys were given. I would ask the Minister of Munitions and Supply (Mr. Howe) when these contracts will be available to members of the house.

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, it is my understanding that I tabled a list of the contracts let up to the first of April, and those I think have been distributed. It is usual to publish the lists every two months, but if my hon. friend will signify that he wishes the distribution to be made monthly for a time, I shall endeavour to do it. It will mean a great deal of work, but I think we could do it.

Mr. HARRIS (Danforth): The information has been given to the press; surely we can have it.

Mr. HOWE: It has been the custom to issue weekly statements to the press and a summary of totals. However, there is some discrepancy between the summary of totals and the actual orders, because the totals refer only to contracts that have been duly authorized, whereas the statement covers orders placed.

CANADA EVIDENCE ACT

ACCEPTANCE OF AFFIDAVITS IN LIEU OF ORAL EVIDENCE IN CERTAIN PROCEEDINGS

Right Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 6, to amend the Canada Evidence Act.

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

On section 1—Not necessary to prove official character.

Mr. LAPOINTE (Quebec East): This is a very simple bill. It is to make clearer the disposition of an amendment which was made in 1938 by chapter 4 of the statutes of that year. Section 2 of that chapter provides:

> Where by any statute of Canada or regulation thereunder provision is made for sending by mail any request for information, notice or demand by a department or other branch of the public service, an affidavit of an officer of the department or other branch of the public service sworn before any commissioner or other person authorized to take affidavits setting out that he has charge of the appropriate records, that he has a knowledge of the facts in the particular case, that such a request, notice or demand was sent by registered letter . . .

[Mr. J. A. MacKinnon.]

Then the certificate of the post office that such letter has been registered is prima facie evidence that the request, notice or demand has been made.

This amendment has been requested more particularly by the statistics branch, which is frequently sending out notices or requests for information. If a prosecution follows because the parties have not acted as the law requires, it involves a great deal of expense to have officers of the department travel about the country to appear as witnesses. This was corrected by the statute of 1938. It was found advisable to add the present amendment, so that the official character of the person who makes the affidavit, let us say the head of the statistics branch, if it is stated in the affidavit that he is the head of the statistics branch, will be sufficient as prima facie evidence. The statute of 1938 would be valueless if it were necessary to bring that officer to prove in person that he was the head of the statistics branch. It is clear that this amendment is merely for the purpose of completing the amendment of 1938.

Mr. HANSON (York-Sunbury): Of course this amendment carries one step further the departure from the common law principle permitting evidence to be given by affidavit. If it is merely for the purpose of omitting proof of the official character of the person making the affidavit it can do no great harm. On general principles I am rather wary of legislation of this kind, but if it is limited to the specific purpose to which the minister has made reference, I cannot see any great objection to it.

Mr. LAPOINTE (Quebec East): It is just to avoid costs.

Mr. HANSON (York-Sunbury): Yes.

Mr. GREEN: Does it apply only to certain officials, or has it a general application?

Mr. LAPOINTE (Quebec East): A general application to all the public service of Canada; because it may be that other departments, apart from the statistics branch, will send notices of this kind and have to prove them before a court of law. The amendment is intended not only to avoid travelling by the officers in question in order to appear anywhere in Canada, but to save costs to the person who is prosecuted, because in the long run the accused or the convicted person will have to pay those costs.

Mr. GREEN: What will be the effect on the criminal code ?

Mr. LAPOINTE (Quebec East): It does not affect the criminal code at all.

Mr. GRAYDON: Does this amendment arise in virtue of some difficulty which has come up in any case before a court?

Mr. LAPOINTE (Quebec East): Well, we were advised, without having had a judgment on the point, that some doubts had been expressed in the courts.

Section agreed to.

On section 2—Not necessary to prove official character.

Mr. LAPOINTE (Quebec East): This is the same thing, and it is to amend another section of the same statute applying to banks. I think I had better read the section as it is:

(b) Where a cheque has been drawn on any bank or branch thereof by any person, an affidavit of the manager or accountant of such bank or branch, sworn before any commissioner or other person authorized to take affidavits, setting out that he is such manager or accountant, that he has made a careful examination and search of the books and records for the purpose of ascertaining whether or not such person has an account with the bank or branch, and that he has been unable to find such an account, shall be received as prima facie evidence that such person has no account in such bank or branch.

This amendment was enacted in 1938 at the request of the Canadian Bankers' Association and other people connected with banks, because they had to appear in hundreds of cases of prosecution for no-funds cheques. Under the law the branch manager of a bank on which the cheque had been drawn had to go personally and give his evidence. This amendment is for the purpose of avoiding the necessity of the attendance of the witness, in the same way as in the matter of public documents. Again, if the officer had to come to court to prove his official character this amendment of 1938 would be worthless. The present amendment provides that an affidavit given by the bank manager in which it is stated that he is a banker and the manager of that branch, will be prima facie evidence that he is.

Mr. HANSON (York-Sunbury): The minister will admit that the two amendments are not in the same category. The first has nothing to do with criminal prosecutions, but this is probably confined to such cases, and the amendment seems to me to be a substantial departure from the common law principle that where evidence is being given the witness should appear and be subject to cross-examination. There might be a mistake in the affidavit and it could not possibly be corrected if the affidavit were to be received on the basis of the amendment of 1938 and the present amendment. Such things might happen and so jeopardize the liberty of the subject. I hope the department gave careful consideration to this clause before they assented to the principle asked for by the bankers' association. I have seen it happen that these men have had to come forward personally to prove their official position; I think the rule was a good rule and should have been adhered to. However, this only carries the principle one step further.

Mr. LAPOINTE (Quebec East): Yes.

Mr. HANSON (York-Sunbury): If there has been an error it was made in 1938.

Mr. LAPOINTE (Quebec East): Exactly.

Section agreed to.

Bill reported, read the third time and passed.

PENITENTIARY ACT

REMOVAL OF CONVICTS FROM YUKON AND NORTHWEST TERRITORIES TO GAOLS OR PENITENTIARIES IN THE PROVINCES

Right Hon. ERNEST LAPOINTE (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Penitentiary Act and The Penitentiary Act, 1939, to provide for the removal of convicts from the Yukon and Northwest Territories to gaols or penitentiaries in the provinces, and for the payment by way of compensation to the provinces for the confinement of such convicts therein.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

Mr. LAPOINTE (Quebec East): Mr. Chairman, this is merely to add the provincial gaols to the penitentiaries. As the law now is, when persons in the Northwest Territories or the Yukon are convicted and sentenced to penitentiaries they go, of course, to the federal penitentiaries. But when the sentence is only a gaol sentence they have to stay there and the lock-ups are congested at times, thus interfering with the healthful employment of persons undergoing imprisonment. This is to authorize the negotiations with the provinces so that convicts under gaol sentences in the Northwest Territories or the Yukon may be sent to a provincial gaol. We will pay the province the expenses connected therewith.

Mr. HANSON (York-Sunbury): There are no penitentiaries in the Yukon or in the Northwest Territories, but there must be a goal or gaols in one or both.

Mr. LAPOINTE (Quebec East): These gaols seem to be rather primitive.

Resolution reported, read the second time and concurred in. Mr. Lapointe (Quebec East) thereupon moved for leave to introduce Bill No. 30, to amend the Penitentiary Act and the Penitentiary Act 1939.

Motion agreed to and bill read the first time.

TRANS-CANADA AIR LINES

EXTENSION FOR ONE YEAR OF INITIAL PERIOD DESCRIBED IN ACT

Hon. C. D. HOWE (Minister of Transport) moved the second reading of Bill No. 23, to amend the Trans-Canada Air Lines Act, 1937.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

On section 1—Initial period extended.

Mr. HANSON (York-Sunbury): Will the minister explain this?

Mr. HOWE: This is a very simple bill. Its sole object, as I explained when I spoke on the resolution, is to make the initial period beyond which rates for the carrying of mail are fixed automatically apply to the calendar year 1940 instead of the calendar year 1939. The reason is that the calendar year was not a typical year. The mail service for revenue commenced only on the first of March of that year whereas the passenger service for revenue commenced on the first of April of that year, so that for two months we operated without a mail revenue and for three months without a passenger revenue.

Hon. members who are familiar with the act will remember that it provides that passenger and express rates shall be competitive with similar services on this continent and that the mail rate shall be based on the cost of carrying mail in the previous calendar year. Were we to take 1939 as a year from which to fix the rate for the carriage of mail for 1940 it would be necessary to increase the rate per mile from its present level of sixty cents to a level of slightly over seventy cents. It is well known to Trans-Canada operators and to the Post Office Department that there is nothing to justify such an increase in rates. We are certain that at the end of 1940, instead of increasing rates we shall be able to lower the rate very materially below the level of sixty cents. We therefore ask that we be allowed to continue the present rate of sixty cents per mile for the carriage of mail and that the automatic feature of the act be allowed to apply after the end of the current calendar year.

Mr. GREEN: What was the deficit in 1939? I understand that Trans-Canada Air Lines had a deficit last year.

[Mr. E. Lapointe.]

Mr. HOWE: I have not the exact figures before me—it is usually the function of the committee on government-owned enterprises to make that examination—but we budgeted for a deficit of about $470,000, and actually the deficit was about $400,000. We had a slightly better year than the budget figures anticipated. This year we budgeted for an estimated profit of something over $300,000 and we are now running well over $125,000 ahead of our budget, so that it is expected that this year will return a very substantial profit from the operation of Trans-Canada Air Lines. The operating expenses include depreciation on equipment at the rate of 25 per cent, depreciation on all buildings and property at liberal rates, interest on capital invested, and all insurance charges, so that when we predict an operating profit, we mean a profit after all these charges have been paid.

Mr. HANSON (York-Sunbury): Will the effect of this bill be to extend further subsidies to Trans-Canada Air Lines for the initial period? The initial period is being extended for a year and the effect is to give them more money from the public treasury to carry them over that initial stage. If that is not the effect of the bill, I do not understand it.

Mr. HOWE: No—quite the reverse. The initial period provides that any deficit will be made up from the public purse. Last year, we estimated that the enterprise would be behind to the extent of some $470,000. We appropriated the money at that session of parliament but we did not actually use the whole sum appropriated because the deficit was less than we had expected. This year we are expecting a profit of $300,000, and the operating results are running considerably better than the estimate contemplated. In other words, our passenger service is much better than our estimate provides for. There will be no call on the treasury this year on behalf of Trans-Canada Air Lines, so that we shall have a profit on this year's operation basis, on the sixty cents per mile rate. Actually the position as stated by the leader of the opposition is the reverse of the fact. If we followed the act as it stands we should receive a higher rate for carrying the mail than under present circumstances. The actual cost of carrying mail spread over the entire year last year was slightly over seventy cents, and unless parliament changes the bill the post office would be obliged to pay us that rate for that current year 1940, which instead of giving us an operating profit of the size I have suggested would give us a still larger operating profit. It is simply that 1939 was not a normal year of operation.

Mr. HANSON (York-Sunbury): Not a full year.

Mr. HOWE: Not a full year.

Mr. BROOKS: Is trans-Canada air mail being picked up by the feeder lines in Charlottetown, Halifax or Saint John, or does the mail have to go to a certain centre, Moncton or Montreal, before being taken up by air mail?

Mr. HOWE: If a letter or parcel bears an air mail stamp it goes to its destination by air mail by the most expeditious route. For example a letter addressed to Charlottetown would go to Moncton by Trans-Canada Air Lines, and by Canadian Airways from Moncton to Charlottetown. Similarly a letter from here to Victoria goes by Trans-Canada to Vancouver and thence by Canadian Airways to Victoria. A letter to Prince Albert would go by Trans-Canada to Regina and by Prairie Airways to Prince Albert.

Mr. BROOKS: Is air mail going west picked up by planes at Charlottetown, Halifax or Saint John? I can understand that mail going east through Moncton would probably go by air lines to these places, but is mail picked up by air lines in these places to go out to other centres?

Mr. HOWE: Yes. The Post Office Department in each stopping place of any feeder line delivers the mail to the feeder line, which also has a contract with the post office for the carriage of mail, and the feeder line in turn delivers it to Trans-Canada at the nearest junction point.

Mr. ROSS (St. Paul's): Is that rate sixty cents per hundred pounds per mile?

Mr. HOWE: No, it is a rate based on sixty cents per mile flown. There is some restriction on the total amount of mail carried per average plane—I think it is one ton per plane; but anything up to that is carried at the rate of sixty cents per mile travelled.

Mr. ROWE: How many planes are in operation by Trans-Canada now?

Mr. HOWE: Fifteen, all of the same type—Lockheed Zephyrs.

Mr. ROSS (St. Paul's): Is the rate sixty cents per ton per mile, or sixty cents no matter how much goes?

Mr. HOWE: It is sixty cents per mile. The post office is privileged to put on all mail up to a maximum limit which I believe is one ton per plane.

Mr. ROSS (St. Paul's): To what percentage of passenger capacity is Trans-Canada now operating?

Mr. HOWE: The passenger ratio fluctuates in different parts of the system, but the average at the moment I believe is about sixty-five per cent. That means every seat full for sixty-five per cent of the mileage. In the United States it is considered that seventy per cent is the highest ratio that can be expected from planes that take care of short-haul traffic. For example, a plane picking up a passenger at Regina may have travelled from Vancouver to Regina with an empty seat in order to accommodate that passenger. But I believe we established an all-time record in the month of August last when our rate of occupancy ran over eighty-two per cent.

Mr. ROWE: In view of the present emergency has the government given any consideration to the possibility or feasibility of utilizing these planes for military purposes?

Mr. HOWE: The government has considered that very carefully. These planes are of a type that is not useful for military purposes. They have a high landing speed and while the smaller Electras can be used for training purposes, this particular plane has not been approved by the air force for that purpose. But I can say that if there comes a time when fifteen planes are more important for the defence of Canada than for the movement of passengers and mail, they will be diverted immediately to that purpose.

Mr. GREEN: I understand that Trans-Canada Air Lines operate a pilot training school at Winnipeg. Would it not be possible to expand that school and use it for the training of pilots for military service as well?

Mr. HOWE: The training of an air line pilot is very different from the training of a military pilot. Both go through an intensive course; indeed I think if anything the Trans-Canada course is stiffer and longer than the military course. But the military authorities assure me that they could not accept Trans-Canada pilots without considerable additional training in military work, and I can say that Trans-Canada will not accept military pilots without considerable training in the technique of airway operation. So that the school at Winnipeg could scarcely be used for both purposes. Another school is being established nearby for military work, and I think no purpose would be served by trying to combine the two.

Mr. GREEN: What I had in mind was having the Trans-Canada school expanded to take on the training of war pilots as well as civilian pilots.

Mr. HOWE: The two courses of training are quite different. There are schools for each purpose at or near Winnipeg, and there seems to be no purpose in trying to combine the two. An instructor in the Trans-Canada Air Lines school would not be qualified to instruct in the military school, and vice versa.

Mr. GREEN: I understand that the basis of the Trans-Canada Air Lines Act, if there is a deficit the post office increases the rate for mail the following year; in other words the postal rates are on a compensatory basis. Last year the question was raised whether the rates for flying air mail in the bush country of the north should be on the same basis. At that time I think the minister explained that the government were looking into the possibility of providing a fair rate for northern air mail rather than continuing the competitive rates which have been in force since the inauguration of air mail in the north. What is the present situation in regard to this northern flying?

Mr. HOWE: This of course is a matter for he Post Office Department; it is one in which the Department of Transport is not concerned. There is a bargain between the post office and the operators of those services. In general the rates in the bush country are on a different basis entirely—a basis of so much per pound. For services supplementary to Trans-Canada, which are also a matter of bargain, there is no great discrepancy in the rate. The difference between Trans-Canada and feeder line rates usually represents a difference in the cost of operating the equipment. Equipment which is smaller and cheaper to operate is generally used on the feeder services, and the rate reflects that to some extent. As far as northern flying is concerned the rate is the rate fixed by the operators themselves. There is a great difference in rates; I think some pay very well and others are in my opinion too low. Nevertheless they are a matter of contract made under the Post Office Act, and so far no steps have been taken to abrogate those contracts, although in one or two instances examinations have been made.

Mr. GREEN: The suggestion was that a fair rate should be set by the board of transport commissioners. Has anything been done along that line?

Mr. HOWE: Study has been made but nothing has been done. The whole situation affecting northern flying is in a very unsatisfactory state, owing to the slowing down of exploration and the provision of better surface transportation. There has been a dropping off of traffic in the north, and some radical step must be taken to adjust the service. We have been trying it out by agreement among the operators themselves. Failing that, however, some further steps must be taken.

Mr. POTTIER: What was the approximate mileage covered by Trans-Canada trunk lines in the last year?

Mr. HOWE: I have not the report of the Trans-Canada Air Lines with me, but it was tabled a few days ago. From memory I would say that about two million miles had been flown.

Mr. POTTIER: Have there been any fatal accidents during that time?

Mr. HOWE: No. In that time Trans-Canada Air Lines has never injured a passenger in any way, nor has it seriously damaged any of its equipment.

Mr. BLACK (Cumberland): It had been expected that the eastern or Atlantic terminus of the Trans-Canada Air Lines would be at Halifax. I understand however that any further action in that connection has been postponed until the air field at Halifax has been perfected. Meantime a feeder line is operating between Halifax and Moncton. When is it expected that the Trans-Canada Air Lines will use Halifax as an eastern terminus?

Mr. HOWE: As no doubt my hon. friend is aware, at the moment Nova Scotia is a restricted zone for civil flying; with the exception of mail planes, no flying of civil aircraft is permitted in that province. The restriction applies to the use of the Dartmouth airport. It had been fully intended that that airport, which is adequate for all types of planes and for instrument landings, would be used by the Trans-Canada service. The field is not available at the moment, for obvious reasons. A large number of military planes are stationed at that point, and it is not considered wise to permit the ordinary traveller to gain admittance to the field. Therefore the service is using the old municipal airport, which is not capable of development to any higher standard than it has now attained. We believe the type of aircraft flying to that point is the best that could make use of that airport, and we see no possibility of using more adequate facilities until military needs are less pressing than they are at the present time.

Mr. BLACK (Cumberland): That is, the feeder line plane does not operate out of Dartmouth; it operates out of Halifax city?

Mr. HOWE: That is correct.

Mr. BLACK (Cumberland): But it is the expectation of the minister that the eastern terminus of the Trans-Canada Air Lines will eventually be at Halifax?

Mr. HOWE: We expect to fly Trans-Canada Air Lines into Halifax at some time. Unfortunately, if I were to go farther than that I might indicate that we might have three or four termini down there. I am sure I would be asked similar questions in respect of Saint John and Charlottetown.

Mr. HANSON (York-Sunbury): Meantime we are doing very well at Moncton.

Mr. ROSS (St. Paul's): Is the policing and guarding of airports under the Department of Transport?

Mr. HOWE: The policing of airports, except in respect of military establishments which would be under the Minister of National Defence, is under the administration of the Minister of Justice.

Mr. ROSS (St. Paul's): I was at Malton airport a short time ago, and it seemed to me that anyone could walk in or out. I may be wrong, but it did seem to me that there was not sufficient protection around so vital a spot. I imagine the airport at Toronto island is being policed by the city of Toronto, although I am not sure about that. Even there the premises did not appear to be sufficiently guarded. For instance, as one enters the Toronto island airport he is confronted with a sign stating, "No cameras allowed," yet many people inside the gates were carrying cameras. People were coming in by boat, from all sides, and these were the people with the cameras. Certainly the guarding at Malton and Toronto island airports does not satisfy me.

Mr. HOWE: So far as I am aware, the airport at Toronto island is not used for military purposes, and I doubt if there would be any guards at that point. On the other hand the Malton airport is adequately guarded. My hon. friend, with his open and honest countenance, probably would not be troubled; had he a more suspicious appearance I am sure he would have been made aware of the presence of guards.

Mr. GREEN: Two years ago the minister took power to invest in a transatlantic company which was to be under the joint operation of Great Britain, Ireland and Canada. What has happened to that plan?

Mr. HOWE: Canada was a junior partner in that enterprise. It was arranged that after the service had been shown to be satisfactory and had been fully established, Canada would acquire a twenty-four and a half per cent interest in the enterprise. All the preliminary operations were to be carried out by Imperial Airways, at the expense of the government of the United Kingdom. During the summers of 1938 and 1939 Imperial Airways conducted regular operational flights, and it was the intention to provide suitable equipment and to begin regular operation in 1940. Unfortunately the requirements of warplane construction have made it impossible for Imperial Airways to make available the planes which would be necessary for that route in the current year. Unless some new arrangement is made I presume that the flying of the north Atlantic by Great Britain will not be undertaken until the end of the war.

Mr. GREEN: How much to date have we invested in the plan?

Mr. HOWE: Nothing. Our investment was to have been made after the regular services had been established. So far the service has not been established.

Mr. GREEN: Are there any plans under consideration for a transpacific service?

Mr. HOWE: I think any civil aviation enterprise within the British empire is being held over for the duration of the war. Every plant in the empire capable of turning out suitable craft is engaged in war production.

Mr. HANSON (York-Sunbury): These points on which the minister has been good enough to go into detail are new to me because I was not here when some of the service was established. May I ask what is the total investment of Canada in Trans-Canada Air Lines, and the extent of its personnel?

Mr. HOWE: I am sorry my hon. friend did not ask that question yesterday, because at that time I tabled the information he now seeks. My recollection is however that the total investment in Trans-Canada Air Lines is something under $4,000,000. Trans-Canada Air Lines does not own landing fields; it rents them—that is, it pays for landing rights on fields owned either by municipalities or by the federal government. It owns its own planes, hangars and telephone equipment. The radio beam is furnished by the federal government. The personnel stands at about four hundred.

Mr. ADAMSON: On flight 5 of last Saturday from Ottawa to Toronto the plane, flying on the beam, flew over Malton airport. However it found a considerable amount of fog on both runways and had to return to Ottawa and remain here during the night. The airport at Toronto was free from fog at the time, but the captain of the aeroplane said

that he had not permission to land his ship at the island airport. I think a question of lights was involved, and there may have been certain regulations to be considered. Could the island airport be made a dual airport so that when one airport at Toronto is under fog the other could be used?

Mr. HOWE: The Trans-Canada pilots have conducted most exhaustive tests of the Toronto airport. It would be of tremendous benefit to the passenger traffic in and out of Toronto if that airport could be used. As I understand it, the runways are only 3,000 feet long and they commence and end at water. A pilot would have to be sure he could place his plane fairly close to the end of the runway when landing and brake before reaching the other end; otherwise a plane full of passengers might some day be landed in lake Ontario. Our pilots have decided that these runways are not safe for Trans-Canada planes, and we have had to accept their decision.

The CHAIRMAN: I would direct the attention of the committee to standing order 58. section 2. The remarks I made last night apply to the present debate. In committee hon. members should direct their attention to the subject matter of the particular clause under discussion. I have not wanted to interfere so far, but I believe that much of this discussion has been out of order.

Mr. HANSON (York-Sunbury): If we do not ask these questions now we will not be able to get the information here. It may be given in the committee on railways and shipping owned and operated by the government, but only a few of us have the privilege of attending the sittings of that committee and taking part in the discussions.

The CHAIRMAN: There will be ample opportunity to obtain all the necessary information from the minister when the estimates for the civil aviation branch of the Department of Transport are under discussion.

Mr. HOWE: Perhaps special latitude should be allowed in view of the fact that we are in the happy position of being a profit-making organization and do not ask parliament for any supply. I shall be pleased to have the information asked for placed before the committee. I have no desire to curtail discussion.

The CHAIRMAN: There would be at least the minister's salary to discuss.

Mr. GRAYDON: In view of the statement just made by the Minister of Transport, and further in view of the fact that the Minister of Justice is in his seat, may I suggest that there may be something more to the guarding of Malton airport than has been brought out in this discussion thus far. I should like to ask the Minister of Justice and the Minister of Transport to make sure that the guarding facilities at Malton airport are sufficient for all purposes.

Mr. LAPOINTE (Quebec East): I shall do it with pleasure.

Mr. ROSS (St. Paul's): The airport is guarded to a certain extent by the corps of commissionaires, but I would feel more confident if this corps had sub-machine guns instead of being armed only with revolvers. This airport covers a considerable area and is a vital spot in our communication system. The Minister of Transport has been good enough to say that I have an open face, but perhaps he is thinking of me with my hat off; I had my hat on when I was up there. I suggest that this matter be gone into a little more thoroughly.

Mr. LAPOINTE (Quebec East): I have noted the remarks of my hon. friend, and the matter will certainly be investigated.

Mr. ESLING: In view of the profitable nature of this service will the minister not give some thought to providing an auxiliary service from the interior of British Columbia? I ask him to consider the importance of the tremendous industry located there, an industry which perhaps has a larger foreign mail than any other in Canada. It takes longer to reach an airport from the interior of British Columbia than it does to come from that airport to Toronto or Montreal.

Mr. HOWE: The prosperity of Trans-Canada is a temporary affair indeed. If we have a prosperous year this year, next year we have to reduce the rate to the post office and get back to bare bones again. Each year we try to improve our position in order to come out with some profit. The post office arranges for the services between Trans-Canada stops. If my hon. friend can convince the post office that there is an adequate volume of mail and a necessity for aeroplane service to this point, it may be possible that they will consider providing a feeder service.

Mr. ESLING: Would it be possible to convince the minister that there is a sufficient volume of transportation business? Would that not warrant the providing of an auxiliary service regardless of the mail?

Mr. HOWE: I doubt if a service could be arranged on the basis of passenger traffic alone. While a good many people might be travelling back and forth, I doubt if there

would be the necessary regularity of travel to fill a plane each day. It has not been the custom to establish feeder lines for other services than that of mail.

Mr. McIVOR: Before I ask my question, may I say that we have been surprised at the head of the lakes at the speed with which the minister gets things done. I should like to know if the extensive use of our air fields for military purposes will make any difference in the opening up of new feeder lines. I am thinking of the large central air field at the head of the lakes.

Mr. HOWE: The original plans of Trans-Canada contemplated a feeder line to the metropolis at the lakehead. While it has not been possible as yet to establish it, it is still under consideration.

Mr. LAPOINTE (Quebec East): Is that Fort William or Port Arthur?

Mr. HOWE: Unfortunately the airport is at Fort William.

Mr. McIVOR: They are both one.

Mr. GREEN: What lines are in operation from Canada to the United States, and are there any new lines under contemplation at the moment?

Mr. HOWE: At present Trans-Canada operates from Vancouver to Seattle. Northwest Airlines operate from Winnipeg to the South. Canadian Colonial Airways operate from Montreal to New York and Boston-Maine Airways operate from Montreal to Boston. Trans-Canada Air Lines has made application for permission to operate a service from Toronto to New York. The hearing has been held in Washington, but no decision has been rendered. The Boston-Maine Airways have an application pending in Washington for permission to extend their service north from Boston to Moncton, New Brunswick.

Mr. GREEN: Are any extensions in Canada under contemplation?

Mr. HOWE: At present we are organizing a service from Toronto to London and Windsor, Ontario, and something has been done in connection with the service from Wagaming to Fort William.

Mr. MARTIN: The hon. member for Vancouver South has anticipated me somewhat. Would it be correct to say that with the completion of the airport at Windsor, this service will follow immediately, or are there any other airports to be completed on that route?

Mr. HOWE: That is the intention. The radio beam has been installed from Toronto to Windsor, the fields at London and Windsor are now being completed, and it is hoped that the service from Windsor to Toronto will commence about July 1.

Mr. ROSS (St. Paul's): On the service between Toronto and Montreal, Toronto and Ottawa, and perhaps Toronto and Winnipeg, has the minister considered getting planes such as the Douglas plane which takes off and lands at a much lower speed and in a shorter distance? With such a plane the island airport in Toronto would be very useful.

Mr. HOWE: The officials of the company have very carefully examined the equipment situation, and while it is admitted that planes of the Douglas type would be useful for short runs from Toronto eastward, it is felt that the expense and difficulties of having duplicate overhaul plants and duplicate spares for two types of planes would offset any operating advantage that would accrue from having these planes at the eastern end. We could not maintain our present operating schedules in the west with the type of equipment my hon. friend suggests.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

NATIONAL REVENUE

REPEAL OF PROVISION FOR THE MAKING OF CERTAIN APPOINTMENTS BY ORDER IN COUNCIL

Hon. J. L. ILSLEY (Minister of National Revenue) moved the second reading of Bill No. 27, to amend the Department of National Revenue Act.

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

On section 1—Appointment and transfer of certain officers.

Mr. ROSS (St. Paul's): Why are the long-term temporaries, as we call them, in all the other departments not put under the civil service commission? It seems to me to be a great injustice to what are called long-term temporary employees in the other departments that they should not have the advantage which this bill seeks to give to the employees in the Department of National Revenue. I am thoroughly in accord with the principle of the bill, but I do not see why the other departments should not take a similar step to that now being taken by the Department of National Revenue.

Mr. ILSLEY: I think that nearly all units in all other departments are being treated as it is proposed by this bill to treat all employees of the customs and excise divisions. All the bill does is to remove what I would call an anomaly in the customs and excise divisions. There we have some officers who were appointed by the governor in council working side by side with many other officers who were appointed by the civil service commission, and inconveniences arise when questions of promotion have to be considered. The civil service commission does not recognize for promotional purposes those officers who were appointed by the governor in council under the Department of National Revenue Act. As I explained the other day, the practice of the appointment of officers in those divisions under the Department of National Revenue Act by the governor in council on recommendation of the minister has fallen into disuse. No such appointments have been made since 1934. I myself have not recommended the appointment of any officers under the powers contained in the Department of National Revenue Act.

Mr. COLDWELL: The minister is to be congratulated upon having taken this stand. I only wish the attention of other ministers and of the house could be directed to other long-term temporary employees throughout the service. I take advantage of this opportunity to bring the matter to the attention of the house, believing it should be given consideration by hon. members particularly with respect to the staff of the House of Commons, where many stenographers have been engaged for twenty years and are still on the temporary staff.

The minister says that the bill provides that in future all appointments in the Department of National Revenue shall be made by the civil service commission. That is splendid. But how are promotions made in the department?

Mr. ILSLEY: By the civil service commission. Promotional competitions are held by the commission.

Mr. HANSON (York-Sunbury): Prior to 1928 I understand that these officers were appointed by the civil service commission.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Hon. gentlemen will remember that we had a customs investigation by a committee of this house in 1925 or 1926, and following the report of that committee the government of the day set up a royal commission to investigate certain branches of the public service. The commission, which consisted of Mr. Justice Brown, of Saskatchewan, and two other gentlemen, Mr. W. H. Wright and Mr. Ernest Roy, reported to parliament, and in its report it dealt with this very question of the appointment of customs appraisers, preventive officers, and investigators of values and drawbacks—all, I believe, technical officers. The commission, as I recall it, made some severe criticisms of the manner in which these men had been appointed theretofore. I do not recall specifically what recommendations or strictures, if any, were made by the house committee, but if hon. gentlemen will turn to page 8 of the report of the royal commission, which I shall call the Brown commission, they will find that it stated:

> It has been recognized and must be admitted that a proper system of appraisal lies at the very base of the customs administration.

On the basis of that premise the commission made certain recommendations, among which was the following:

> Our inquiry has shown that the present system of appointing appraisers or other officers requiring expert or technical knowledge is unsatisfactory.

I pause here to say that the system therein referred to was appointment by the civil service commission. I have not had any opportunity of looking into the proceedings of that royal commission to see whether that statement is well founded or not, but certainly it was a stricture on the then method of appointing these technical officers. The report goes on to say:

> We are convinced that where expert and technical knowledge is required, the examination of the applicants for positions should be conducted by those who are specially qualified to act in the premises.

Of course that is a stricture on the civil service commission itself. Maybe it was not justified. Personally I have always been a strong supporter of the civil service commission, and the principle of merit. I am not going to depart from that position to-day. The minister will therefore find that in principle I am in agreement with what he has to say. But that is not the whole story. The report continues:

> We are of opinion that all appointments to the office of appraiser at the different ports of the dominion should be made by the minister after examination of the applicants by the board of appraisers.

That is, if I appreciate that language, by a board set up in the department itself. The report proceeds:

> We quite recognize that this method of appointment would conflict with the system now

in vogue under the Civil Service Act; but notwithstanding this we are of opinion that this method should be adopted.

As a result, and I believe as a direct result, of that report, the government of the day in 1928 introduced the legislation which the minister now seeks to repeal. If hon. members are interested and will look at the explanatory note on the page opposite page 1 of this bill, they will find set out in small type the exact provisions of the statute as then enacted as a direct result of the report of this royal commission. Subsection 4, which was added to section 1 of the Department of National Revenue Act by the amending statute of 1928, empowers the minister to nominate for appointment by the civil service commission the following classes:

(a) Customs appraisers of all classes whether serving at the various ports and places of entry or as dominion appraisers;

(b) All officers in the customs-excise preventive service.

The minister pointed out that this power is now obsolete because this work has been taken over by the Royal Canadian Mounted Police, and probably is being done as effectively as, if not more effectively than under the old system of customs-excise preventive officers.

(c) All officers assigned to duty as investigators of values and claims for drawback.

Classes (a) and (b) are certainly technical officers; and the theory on which this statute was based was that these men should be appointed by the minister after an examination by a board in the department that would know exactly what class of men was required, what type of men was needed, and what qualifications applicants possessed for these important offices. A large part of, I shall not say the scandal, but the ineffectiveness of the customs department in the days between 1921 and 1926 was because the men who were in the preventive service were really not carrying on their duties. I do not wish to say that all the customs appraisers or all the investigators of values and claims for drawback were not qualified to carry on their duties, but at all events that was the considered opinion of the royal commission, and of the government of the day. The minister stated, if I heard him correctly, that since 1934 no appointments have been made under this enabling provision to any of these particular offices and that none at all has been made with respect to the customs-excise preventive service, which has been taken over by the other department.

Mr. ILSLEY: Pardon me; no one from outside the service has been appointed since 1934. One appointment to our staff was made from within the civil service.

Mr. HANSON (York-Sunbury): I believe I am aware of that particular case. It was the case of a private secretary, was it not?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): And the minister himself has stated, I believe, that since he came into the office in 1935 he has not made any nomination or appointment. Now the question to be considered here, I think, is whether the fact that, with the one exception which has been referred to and which, of course, stands upon its own basis, successive ministers from 1934 on have adopted this policy is a good and sufficient reason to overrule the recommendations of a royal commission. In days gone by, the present government has appointed a good many royal commissions, and it has been said that it did so in order to escape responsibility. I do not believe that is the case here. But evidently the government of the day in 1928, having regard to the circumstances which had arisen in the previous year, was impressed with the desirability of making an improvement in the nominations to these offices; and I am just wondering if the reason which the minister gave this afternoon is really the sole reason why these powers should be given up. I am not attributing any motives at all to the minister. He was good enough to disclose, what was new to me, that the civil service commission do not recognize for promotional purposes officers appointed by ministers. Do the civil service commission do that in defiance of the law, or is it their right to do that, or just why should they take that attitude? While they do not appoint these officers, these officers become officials of the department; they are entitled to fair treatment at the hands of the civil service commission; and the failure to recognize them for promotional purposes would seem to me, at first blush at all events, without further explanation, to be a discrimination against these men. Although I am not as familiar with the officials of the minister's department as I was prior to 1935, when I had a great deal of business down there, I understand that some of the best men in that department are men who were appointed under the 1928 act, men whom he would not want to part with to-day. Is the sole reason for this bill the fact that there has arisen—I shall not say friction, which is perhaps too harsh a word—lack of cooperation from the civil service commission with respect to promotion of these particular officers, who cannot, I suppose, be very numerous; or is there another reason why the minister proposes to give up this power?

I believe in the principle of merit with regard to the civil service, but I can quite understand, because of the great territorial expanse of Canada, the ramifications of the public service, and the fact that there are thousands upon thousands of employees scattered from Sydney, Cape Breton, to Vancouver island and into the Yukon, that the civil service commission cannot function one hundred per cent perfectly. Unless, however, very strong pressure were brought to bear upon me with good and sufficient reasons, I would never restrict the rights of the civil service commission, and if my attention had been called to this in 1928 I should certainly have objected in principle to the recommendations of the royal commission. But this course having been recommended by the royal commission in strong terms and for reasons which evidently seemed good to it, and which must have been convincing to the government of the day, the legislation which the minister is now seeking to repeal was enacted, and now, after the space of twelve years, it has been allowed to fall into decay. Is the fact that there is friction with the civil service commission the sole reason for this bill? Is that the sole, controlling factor in asking for the repeal of the act, or what is the real reason? That is the only reason suggested by the minister for the introduction of the present legislation. I should be glad if he would elaborate that phase of the question.

Mr. ILSLEY: That is not the sole reason. It would not be an important enough reason because the governor in council can promote in cases where the civil service commission declines, and as a matter of fact some of the appointees under the national revenue act have been promoted by order in council. The leader of the opposition has referred to the royal commission of 1928. It is true that that commission recommended this change in 1928.

Mr. HANSON (York-Sunbury): And the government acted upon the recommendation of the commission.

Mr. ILSLEY: Yes. But the officers of the department inform me that there has certainly not been any improvement in the quality of the men who have been appointed by the governor in council over the quality of those who were previously appointed by the civil service commission. I agree with the leader of the opposition that there have been some excellent appointments under the powers contained in the national revenue act, and there have been some excellent appointments by the civil service commission during the same period.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): I would assume that.

Mr. ILSLEY: I should not like to say that the proportion of excellent appointments under one system is any higher than the proportion under the other. That would involve the forming of an opinion which would not meet with agreement on the part of a number of persons to whom it might be expressed. I am certainly not convinced that the calibre of appointees by the civil service commission is any lower than the calibre of appointees by the governor in council. If the civil service commission discharges its duties efficiently, it is at least as likely to make good appointments as the governor in council on the recommendation of the minister. It is free from certain influences which occasionally operate in appointments by the governor in council on the recommendation of ministers. I am not saying that these influences operated in the Department of National Revenue. Apart from preventive officers, there were between twenty and thirty appointed prior to 1930 and between twenty and thirty appointed subsequently to 1930. Of course, there were a great many more appointed to the preventive service, but that phase of the situation is out of the picture now. The experience of the department, as well as the opinion of the permanent officials of the department, was that there was no reason for making this exception in the customs and excise divisions of the Department of National Revenue.

The leader of the opposition asks me whether the sole motive was to get rid of this difference—friction would perhaps be too strong a word—between the department and the civil service commission over the question of promotions. No. That is a very minor factor in the situation. It is a factor; and as the hon. gentleman will note, it is cleared up by section 2 of the bill, which provides that these appointees are to be recognized by the civil service commission for all purposes from now on. It may be said that we should just pass that section, and that would be the whole act.

Mr. HANSON (York-Sunbury): That would be the whole act if it were the only point.

Mr. ILSLEY: Yes. That would be the whole act if it were the only point, because we could bring the civil service commission to time in that way if we wished to do so. But I believe there is no reason, at least no conclusive one, for perpetuating an exception in the customs and excise divisions of the department. The fact that appointees must possess technical qualifications is no reason for taking the matter out of the hands of the

civil service commission. The commission appoints experts right along in all the departments on the recommendation of qualified boards, and we perpetuate an anomalous exception such as this in one department of government, if it is an admission that the civil service commission is not qualified to appoint experts.

I do not feel very strongly about this matter. There are other branches of government in which the employees are all appointed otherwise than by the civil service commission and which we are leaving alone. We are not changing them, because there is no particular reason for a change; but in this case perhaps I have been influenced to some extent by the opinion of the commissioners of customs and excise, who agree that there is no reason for the perpetuation of this anomaly. I am sure the committee is not over-impressed with the fact that a royal commission has made a particular recommendation. Some royal commissions make good recommendations, and some make many recommendations regardless of whether they are good or not. There is a tendency—perhaps I should not say this—on the part of a royal commission to feel that they must make quite a number of recommendations—

Mr. HANSON (York-Sunbury): To justify their existence.

Mr. ILSLEY: —to justify their appointment, and while I would not say that was the case here, the fact is that they found that appraisers in the Department of National Revenue in some of the ports were not particularly expert. What more natural than that they should recommend a change in the system of appointing appraisers, suggesting, "Let us appoint appraisers and investigators of value in a different way." Well, we tried it, and it did not have the result contemplated. The government is in a much better position now; the minister is in a much better position than the royal commission was in 1928 to say whether appraisers, investigators of value and drawback officers should be appointed by the civil service commission, because we have had experience with both systems, whereas they investigated only one system.

Mr. HANSON (York-Sunbury): I agree with the last statement the minister has made. If the department is properly run, the department and the minister are in a much better position to decide the question than three men brought in from outside, one of them an illustrious judge—two of them I know nothing about. The recommendation of the commission, however, arose out of the class of men appointed in previous years. I believe that is where the difficulty arose—

Mr. ILSLEY: Mainly.

Mr. HANSON (York-Sunbury): —and that has been eliminated. It is the policy of the department, supported by the united opinion of the commissioners of customs and of excise, that we should revert to the old system on principle, and I think they are right. But I am only discharging my duty by giving the committee my information as to why this change was made; it was done on the advice of a royal commission appointed by the government of the day, led as now by the right hon. Prime Minister, and enacted into legislation after the considered judgment of that commission had been obtained. The method has not been found to work out well. If the minister wants to put this bill through, I am not opposing it; I merely want to ascertain the real reason. He assured me that the question of promotion from within the civil service is not the real reason, although it is a factor, but that the principle which was in vogue before is, in his judgment, and in the judgment of his officers, the correct principle upon which these appointments should be made.

Mr. ILSLEY: That is correct.

Mr. MARTIN: I would not want anything that I intend to say to be construed as opposing the endowment of full power to the civil service commission in the appointment of officials in the Department of National Revenue. But I should like to make an observation about the method used by the Department of National Revenue in the appointment of collectors. Latterly the practice has been, I believe, to regard the post of collector as one of sufficient importance to justify bringing into a community as collector some person who, prior to that time, had not resided there. I can understand the motives which would prompt this course. But I suggest to the minister that there is a strong argument against this method. I can understand in the case of appraisers, where special technical knowledge is desirable, that possibly there have been times when suitable men were not available in the particular community. But I suggest that the practice of appointing a collector, particularly in the larger ports, from outside the community, one not knowing the port or its traditions, is a great mistake. Every man who joins the customs service, let us say in my own city, where there are two large ports, no matter how humble his capacity, should be able to feel that, with proper application and given the ability, he

may aspire to the highest post open in that particular port. If that feeling were developed, it would tend to improve the morale.

Mr. HOMUTH: He can now.

Mr. MARTIN: Yes, but the practice latterly has been, particularly in the larger ports, to appoint as collector someone living in another community.

Mr. HANSON (York-Sunbury): That is the exception, is it not?

Mr. MARTIN: I am trying to make my argument as to why I think that should not be the practice. I do not know anything about the ports, other than that this is one of the matters in which I have interested myself during the past five years in my own constituency. Without going into particulars of any local situation—the minister probably has in mind better than anyone else what I have particularly in view—I say that when a man goes into the customs service he should be able to feel that with proper application he may reasonably expect some day to become collector in that community. I am not suggesting that the appointment should be made by the minister; I say that it should be made by the civil service commission, but that the civil service commission should be confined in its choice to individuals living in that particular community.

What I am saying has reference only to the collectors, not to the appraisers, in whose case I understand there are special considerations. The post of collector, I suggest—the minister will know whether or not I am correct—is very largely one of public relations. He is the man who has to meet the public. True, he makes certain decisions, but more often than not the decisions are made by appraisers and technical people. Is it not likely that a man who knows the community, who has come up in the service there, is better qualified to serve and meet the public than a man who, for instance, comes to Windsor—I refer to Windsor only for purposes of example—say from Nova Scotia? I have no doubt that the intermingling would be desirable, but I do not know that there is beyond this, any particular advantage. I strongly urge the minister, because of a certain situation he has in mind, that the collector should be a local individual where possible, preferably one who has been in the service in the particular community. I understand that when there are some special reasons or disabilities, there may be an exception to what I suggest, but if my point of view were accepted, I think it would do much good.

I suggest to the minister that there are several ports in this province—and I am not speaking of Windsor particularly, nor am I excluding Windsor—where the morale among the men is bad, very bad; and one of the reasons for this fact is the feeling that those living in the community are looked upon with a measure of suspicion, I am not saying always unnaturally, by Ottawa. There is the feeling that Ottawa does not trust them, that Ottawa has not a high regard for the competence of the collectors or of the men under them. That does not tend to the kind of organization we all want, and I would strongly urge the minister to consider the reasons that I have given, and more particularly the motive, which I am sure he will understand, that prompted me to make these remarks.

Mr. ILSLEY: I have carefully listened to what my hon. friend has said; I am aware of and appreciate the circumstances in the city of Windsor, and particularly in the port of Windsor, that prompted him to make those remarks. Let me say that in my opinion the sole consideration should be the qualification of the man for the position. It may be that, other things being equal as between two applicants for the position of collector, the local man should have the appointment; I do not know, I am not prepared at the moment to subscribe to that. It is true that in the cities of Toronto, Hamilton, Winnipeg, Vancouver, and I think Niagara Falls, appointments during the past few years have been from the inspection staff at Ottawa.

Mr. HANSON (York-Sunbury): For the good of the service.

Mr. ILSLEY: I think everybody admits that all those appointments were good ones. I believe this is admitted even by the persons who at the time were most strongly urging the same considerations that have been urged by my hon. friend here to-day. The greatest care was taken by the civil service commission and by the rating officers to see that men of the very highest quality available were chosen for the very difficult position of collector in these important ports. I am inclined to think that my hon. friend has over-stressed the importance of the collector being a public-contact man. There are other qualities which in my opinion are more important in a collector than giving the public a pleasant feeling when they deal with the port. After a few years a minister of national revenue comes to understand pretty well the qualities of his permanent officials in various ports of the country. It is of course important for one who comes in contact with the public to make those who deal with him have a friendly feeling towards the department and the government, but he must also see that his officials discharge their duties.

I do not know whether I should say it here to-day, but some of the officers at the port of Windsor have not been discharging their duties during the last few years. There is a situation there which will have to be dealt with, and dealt with somewhat firmly. If the civil service commission select from the present personnel there the right type of man, all well and good; I have not the slightest objection; but if he is not in sight there, then somebody with strength of character and executive ability will have to be put in charge of that port.

Mr. HANSON (York-Sunbury): I know it has been thought from time to time that the customs and excise service should be handled somewhat after the manner of the branch banks system in Canada. I think it would be for the good of the service if that principle were applied more freely than it is to-day. I do not know anything about the circumstances which have arisen at the port of Windsor, but the minister evidently knows all about it or he would not have made as important a statement as he did with regard to the personnel at that point.

My own view is that in connection with a great service such as the customs and excise it would be well if the minister and the government of the day would from time to time adapt themselves to the principle followed by the chartered banks. A man who enters as a junior in a chartered bank in Ottawa knows that if he renders good and effective services, he will some day rise to the top, and may even become general manager. But he does not go into the bank with the idea of becoming branch manager at the point at which he makes his entrance. That system works out admirably; it is a good one. The misfits are weeded out in time, and those who are ambitious go out on their own account. In the result the bank service reaches a high point of efficiency.

While I am on my feet I should like to refer to another matter. The minister is wedded to the system of civil service appointments for the customs and excise branch. What does he have to say about the other branch coming under his jurisdiction, namely the income tax branch? As I understand it, none of the appointments to that branch come under the civil service commission. I think I understand the reason why that condition obtained at the very outset, when the new department was set up in 1917 under a responsible commission. I think the personnel of the income tax branch has been good, all the way through. But certainly there has been a number of misfits from time to time in various parts of that branch. I commend to the minister the extension to the income tax branch of the principle he has enunciated. I do not see any good reason why it should not be extended to a branch which has now been operating for more than twenty years.

A solicitor may be required in the income tax branch. There are very few income tax experts among the solicitors of Canada, and there is no reason in the world why an appointment to such a position in the income tax branch should not be made by the civil service commission.

I know that in making these observations I may give offence to my good friend the commissioner of income tax, with whom my relations over a period of years have been friendly. In my judgment he is a first class officer. He protects the public revenue and in my opinion metes out even-handed justice as between the crown and the taxpayer—at least, that has been my happy experience with him.

But I do not know why patronage for the appointment of officials should be vested in the commissioner of income tax and his advisers, and not in the officials of the customs and excise divisions. I do not think a case can be made out for a continuance of the present system as I have described it in one branch, and for the adherence to the other system in other branches.

I commend these observations to the consideration of the minister, because the present set-up seems inconsistent in principle.

Mr. MARTIN: I do not wish to pursue the matter I brought up much farther, except to say that the observations of the minister should be separated; and I say, with great respect to him, that he has not done so. His statement may possibly leave the impression that what I had to say had reference to a particular situation which requires cleaning up, and I may assure him that he will have the full support of the whole community in that objective.

But what I had to say had no reference to any particular person. It may possibly have been thus provoked, in that the matter has been brought to a head; but only in that respect, because there can be no question, I take it, of the character of the present collector at that important port. May I simply say this to the minister? I agree with him that the first consideration should be that of merit, the obtaining of someone who, in the estimation of the commission, can do that job better than anybody else. With that principle I agree. But should the first attempt not be to try to find someone in that particular locality? If that is impossible, then

it might be permissible to proceed to pick men from Vancouver or Halifax and move them, let us say to Hamilton. But surely it is possible in any of our larger communities to find men with sufficient integrity, character and ability to permit them to carry on. If that is so, then the minister will have satisfied the other circumstances which I have mentioned.

I am not going to drop the matter—and this without any criticism of the men who have been appointed latterly at various points throughout the province and the country—that a good number of those men have come from within the department itself. I am not going to suggest any particular instance, but I believe the minister should be made aware of the fact that it is quite possible for a man who has spent most of his life in the service at Ottawa to have a closer approach to the appointing bodies than would some individual working in the service outside, who perhaps has never been in Ottawa.

I make that generalization, not only in the form of a generalization, but because I wish it to apply to a particular circumstance. I hope the minister will regard anything I have said as having been said, not with the idea of taking the matter out of the hands of the civil service commission—because I want it to stay there. I would go as far as the leader of the opposition, when he made certain representations in respect of the income tax branch. But the principle of appointment by the civil service commission is not inconsistent with the principle of selecting, where available material exists, from a particular community.

Mr. COLDWELL: I think this discussion ought to bring an expression of opinion from other quarters of the house. In my view the public service of Canada is a Dominion of Canada service, and I do not think appointments should be confined to the localities of Windsor, Niagara Falls, Toronto or anywhere else. I think any Canadian citizen who has fulfilled the qualifications, who can pass the necessary examinations, who can obtain the confidence of the civil service commission and get the appointment, is entitled to that appointment, no matter where in Canada he may reside.

I think promotions from within the service are sound, but I do not think the government or the minister would be wise in setting up community compacts. We once had a Family Compact. I am quite sure we should endeavour to regard these services as being open to every citizen of Canada who can qualify.

I should like to see all appointments made by the civil service commission and on merit alone. Promotions should also be based on merit alone. I come from a part of Canada where there is no large collection point, and I agree with the attitude taken by the minister. It is only right that a young man entering the service at any point should be able to look forward to promotion to a larger port, provided his qualifications warrant the promotion.

Mr. FOURNIER (Hull): The object of the amendment is to provide that in future all appointments shall be made by the civil service commission. If these appointments are to be made according to the provisions of the Civil Service Act, then all the sections of the act must apply. Section 21, subsection 3 reads:

> Except as to appointments to positions in the headquarters of the several departments and other portions of the civil service at Ottawa, the appointments to any local positions in any province shall, so far as practicable, be made from bona fide residents of such locality.

If this amendment is to be applied according to the Civil Service Act, any appointments made by the minister must be from persons living in the particular locality. The main difficulty is that the Civil Service Act contains no definition of territory or locality.

Mr. ILSLEY: I did not follow the wording of the section, but I am sure that no difficulty arises from the act. The commission fixes the area from which applications may be received. Sometimes it is a town, sometimes a constituency, sometimes an inspection district, sometimes a province and sometimes the dominion.

Mr. HOMUTH: Has the minister given any consideration to reducing the number of ports in Canada? I happen to be chairman of the tariff and legislative committee of a rather large organization. On several occasions I have had to approach the department and direct attention to the fact that certain importations were being made which seriously affected local industries. Material was being brought in under a certain name and the local customs official knew nothing about it. He could not appraise it properly because he had no knowledge of the material. As long as we have laws, we shall have people who try to violate them if a profit can be gained. Material is being brought into the country through various ports under false entries. In the cases brought to the attention of the department immediate action was taken, the proper duty was collected and a penalty imposed. As long

as we have so many ports and out-ports, it will be impossible to staff them with expert employees. No matter how many explanatory letters are written by the department, many of these people will not be able, nor can we expect them to be able to understand to what uses any particular material may be put. Perhaps we should have a different system and reduce the number of ports of entry. In passing, I want to state my opposition to the attitude of the hon. member for Essex East (Mr. Martin). He said he had reference only to the heads in the local ports.

Mr. MARTIN: Collectors.

Mr. HOMUTH: If the collector is a local man, I am afraid he will be influenced largely in favour of local people when filling vacancies in his staff. I know something of the men and women in the service; I have had a great deal to do with the customs service, and I do not know of any department of government where you will find a finer type of man employed. I do not think we pay enough compliments to the men in the service. Time and time again the hon. member for Témiscouata (Mr. Pouliot) rises up in his place and attacks the civil service. I have had a great deal to do with the people, not only in this service but in the Ontario service, and in practically every case I have found that they are the type of people who feel they have a responsibility to do the best they can for the department, the province or the dominion as the case may be. I think we should frown upon this continual bickering about the civil service. I have always found civil servants to be men and women above reproach, always willing to help regardless of whether one sits with the opposition or on the government side. I think it would be a good idea if we objected more strenuously to some of the statements made by certain hon. members, particularly to the hon. member for Témiscouata.

Mr. FOURNIER (Hull): I am in favour of the civil service commission and the merit system when applied. I do not know that it is applied in all cases. In this particular instance I understand that up to the present appointments have been made by the department after examination by departmental officials who are supposed to be expert in these matters.

Mr. ILSLEY: Not since 1934.

Mr. FOURNIER (Hull): Appointments are made after examination by a board composed of representatives of the department and the civil service commission?

Mr. ILSLEY: Yes.

Mr. FOURNIER (Hull): Has the commission men who are expert in these matters? If so, why should officials of the department be called in to sit on the board? If we adopt the principle of sending men from Ottawa to fill positions in various points of the country, we shall be discouraging local people from entering the service, and the service will be harmed. The provisions of section 21, subsection 3, should be applied. Then local employees would be encouraged to study and become expert in their line. That is the whole point. I am not against the amendment, but I do not like to see positions in different parts of the country given to men from Ottawa in preference to local men.

Mr. ILSLEY: The officers in Ottawa got here through transfer from other cities.

Mr. FOURNIER (Hull): Some of them.

Mr. ILSLEY: Perhaps they are not always returned to the same city, but eligibility for transfer works to the benefit of persons in those cities as well as to their prejudice. Unfortunately they think only of the prejudice. I want to make just two observations. First I want to assure the hon. member for Essex East (Mr. Martin) that, in any competition which may be held in the near future, there will be no discrimination against officers at the port of Windsor by reason of the fact that they are at the port of Windsor. I want to say also that in what I said before I did not mean any wholesale condemnation of our force of officers at Windsor.

Mr. MARTIN: Thank you.

Mr. ILSLEY: It would be unjust for me to say anything of the kind because we have a great many very fine officers there.

Mr. MARTIN: Would the minister go so far as to say that the officers in Windsor were finer than the officers in any other community in Canada?

Mr. ILSLEY: I have gone as far as I can about Windsor, I am afraid.

With regard to what the hon. member for Waterloo South (Mr. Homuth) said about the closing of ports, it has been the policy of the department for years to reduce gradually, sometimes rapidly, the number of ports, the reason being that there is not the necessity for so many ports as there was years ago. Now, with hard-surfaced roads, automobiles and so on, it is no hardship for an importer to go some distance in order to enter imported goods. I agree very largely with what the hon. member says about the appraisal

probably being better if you reduce the number of ports, because it will be more uniform, more standardized.

The setting-up of a check branch at Ottawa has had a beneficial effect upon appraisals. Mistakes in appraisal, mistakes in classification and in valuation, although perhaps not so much in valuation, are caught by the check branch at Ottawa. Between 1935 and 1940 there were about ninety out-ports and postal collecting stations closed, and not more than two or three ports or out-ports at the most were opened. It is not the easiest thing in the world to close a port.

Mr. HOMUTH: It is like closing a railway station.

Mr. ILSLEY: I have seen petitions which called upon members to resign in protest against the closing of a port where there were not more than two hundred entries a year, or less than one a day, and boards of trade, prominent citizens, members and so forth make the strongest representations against any reduction in the number of ports.

Mr. CASSELMAN (Grenville-Dundas): Some are not very successful.

Mr. ILSLEY: My hon. friend says, not always successfully. I think I can say that during the three or four years following 1935 the closing of ports kept me in more hot water with members, boards of trade and others than anything else with which I had anything to do. Nevertheless I want to warn the members that I expect to be closing quite a number in the near future.

Mr. HANSON (York-Sunbury): Before the bill passes, might I ask the minister to express his opinion with respect to the recommendation I made to him to bring the third branch of his department, the income tax branch, under the Civil Service Act? I am not going to labour that matter further.

The minister says that he has closed ninety out-ports.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): As a rule I think it is a very proper thing to close out-ports, where it can conveniently be done. I know that all ministers have struggled with that situation, and they have met with all the local resistance that the Canadian National or Canadian Pacific railways meet with in closing a station or in tearing up a branch line of railway—and then some. But there is this to be said in that regard. The public convenience, especially of people living along our coast-line, should be given consideration before an out-port is closed. Conditions of travel, the accessibility of other ports to which they must go, and the expense to which they are put because of the closing of an out-port, are all factors that must not be lost sight of when one is considering closing a port.

There is one other point. What has the minister done to reduce the personnel at certain ports in this country? I have in mind a customs house—I am not going to tell him publicly where it is but I will tell him privately if he wants the information—which is just overrun with officials who have not enough to do to keep them busy three hours a day.

Mr. ILSLEY: I should like to know where it is.

Mr. HANSON: (York-Sunbury): In the old days the customs house was a port of refuge for people who wanted jobs in the public service and who probably could not support themselves in active competition with their fellows, but that day I hope has passed and gone. I think the minister will find, if he makes a careful review of the situation at certain ports in Canada, that he is wonderfully overstaffed at some ports. I do not mean the port of Fredericton, because they have had to increase their staff by reason of one factor, namely, the importations of the New Brunswick liquor commission.

Mr. ILSLEY: They are understaffed, I suppose.

Mr. HANSON (York-Sunbury): No, I do not say that. I think they have a sufficient number of officers to do the work. If the minister looked into the matter, he might even find that they are overstaffed.

Mr. ILSLEY: I do not know anything about it.

Mr. HANSON (York-Sunbury): I do know this, that the volume of revenue at that port has greatly increased, and it is due entirely to the importations for the province of New Brunswick, which now enter at that port, and not through the port of Saint John or elsewhere.

What I have particularly in mind is that this is war time, and we have in Canada, I suppose, 80,000 civil servants. Is that an understatement or an overstatement?

Mr. ILSLEY: An overstatement. The number would be about 60,000.

Mr. HANSON (York-Sunbury): Sixty thousand to seventy thousand? I think the minister will find it is nearer to eighty thousand than seventy thousand. In a

country as small as Canada, far-flung as it may be, that is an enormous number of federal civil servants to be living directly on the country; and when to that number are added provincial and municipal public servants, one can realize what a great army of people the taxpayers of this dominion are supporting—people who are just living on the country. They are not to be condemned, of course, because the public service has to be carried on, but I suggest to the minister that this is one place where the government might save in war time. I do not mean that this should be done by wholesale dismissals or even retail dismissals of unnecessary civil servants, because that might create hardship; but when positions become vacant by reason of death or superannuation—and this applies to the inside service just as much as to the outside service—the government should give serious consideration to whether the position actually needs to be filled or not. I believe that we could save an enormous amount of money to the treasury of Canada in this time of war by not filling needless positions.

I have in mind that during the economic war in this country from 1930 to 1935, when we left office in 1935 we left literally thousands of positions unfilled and we saved to this country some millions of dollars—I have forgotten the exact number—by not filling those positions. I commend that policy to the minister and to the government, that they should see to it that in war time, when people are called upon to make great personal sacrifices and to pay heavy taxation—and I am sure it will be heavier before it is lighter—there is no needless expenditure in filling positions in the civil service, both the inside and the outside, which are not required. I venture to suggest that in a period of five years we could save annually to the treasury of this country at least five millions of dollars.

Mr. ILSLEY: I wholly agree with the leader of the opposition in what he has said about the importance of cutting down staffs by not filling vacancies, wherever that is possible.

Mr. HANSON (York-Sunbury): It is the only method.

Mr. ILSLEY: A great deal of attention has been paid in recent weeks and months to that very problem. If he will give me the name of the port which he thinks is overstaffed, I shall have that port investigated. Let me add that if other hon. members know of any overstaffing of customs houses, I should like to know of them myself. The commissioner of customs is as anxious as I am to see to it that there are not unnecessarily large numbers of men engaged in the customs service.

On the point about the income tax division, theoretically the hon. gentleman is perfectly right; perhaps, too, he is practically right. But in the administration of a department one has to be as practical as possible, and there does not seem to be much practical reason for interfering with the very successful working, I mean from an efficiency point of view, of the system of appointments to the income tax division. From time to time I have given consideration to the question of bringing in a bill to effect a change such as the hon. gentleman has mentioned, but if I were to be asked whether it would improve the quality of the appointments in that division, I certainly would not be satisfied that it would.

Mr. HANSON (York-Sunbury): The minister would not assert the reverse?

Mr. ILSLEY: I would not assert the reverse. I would just say that great care is taken in the selection of personnel for the income tax division, and I believe that from a practical point of view the system of appointments is reasonably satisfactory at the present time.

Mr. ROWE: I suggest that the government might well consider some general plan which would serve all departments as well as the two which have been mentioned. It seems to be an absurd practice that some men and women who have been employed and have given efficient service in various avenues of the civil service for ten, fifteen, or perhaps twenty years, are not yet on the permanent staff. One example, which has been mentioned to-day, will be found in our house staff. Many of the guards of the house have been on duty for from fifteen to twenty years, some perhaps even longer; they have given efficient service, displaying through the years a vigilance which we all admire; perhaps they are passing the time when they might take some other positions; yet they are not in the permanent civil service. I cite their case only by way of suggestion. I believe that both the government of the day and the government which preceded them might have given thought to establishing more uniformity in this connection. If a person has been employed in any department of the civil service for a number of years and has given thoroughly good service, there should be some general rule which would enable him to be assured of appointment to the permanent staff or of retaining his position as a life appointment.

Section agreed to.

Sections 2 and 3 agreed to.

Bill reported, read the third time and passed.

CIVIL SERVICE SUPERANNUATION

ORDER IN COUNCIL OF AUGUST 11, 1939, TO HAVE FORCE AND EFFECT OF STATUTE

Hon. J. L. ILSLEY (Minister of National Revenue) moved the second reading of Bill No. 28, to amend the Civil Service Superannuation Act, 1924.

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

On section 1—Order in council to have force and effect as from the 11th of August, 1939.

Mr. MacNICOL: We have not received copies of the bill. How can we discuss the contents without a copy? I wish to protest against taking up a bill without a copy of it being on hand.

Mr. HANSON (York-Sunbury): May I suggest to the minister that if he would allow this bill to stand for a few hours, or until to-morrow, hon. members would be more competent to discuss it. They have not seen the bill; they have not been able to read it; and I have had some memoranda sent to me about this matter which I should like to look into a little further.

Mr. ILSLEY: It can stand until to-morrow.

Mr. HANSON (York-Sunbury): May I ask the minister, before he gives effect to the suggestion, whether this bill arises in any way out of the report of the civil service committee of last year?

Mr. ILSLEY: No. It is the Civil Service Superannuation Act committee. There were two committees; there was a committee on the Civil Service Act and one on the Civil Service Superannuation Act.

Mr. HANSON (York-Sunbury): This arises out of the report of the committee on the Civil Service Superannuation Act?

Mr. ILSLEY: Yes; but it does not incorporate all the recommendations of the committee.

Mr. HANSON (York-Sunbury): I have seen that report to-day for the first time, and I understand that it contains twenty-eight different recommendations. Is it possible that the government intends to give effect to only one recommendation out of the whole twenty-eight? Is it intended to let the rest stand? Or what is the position?

Mr. ILSLEY: The present intention is not to go any further during war time, or at least within the near future, with the recommendations of that committee than we went by order in council in August last.

Mr. HANSON (York-Sunbury): And that definitely referred to this one subject which is the subject matter of this bill?

Mr. ILSLEY: Yes. The bill merely ratifies the order in council. It was considered feasible to go to this extent by order in council, but later the opinion was given that we could not even do that without reference to parliament. The order in council is in operation now and we wish to give it validity, but the question whether we are to go back and introduce a long bill here, carrying out between twenty and twenty-five other recommendations, some involving very large expenditures of money, is one which perhaps we cannot be said to have finally decided. There is, however, no present intention of doing that in view of the war.

Mr. HANSON (York-Sunbury): That is a matter of government policy and I am not quarrelling with it. Will the minister allow this bill to stand?

Mr. ILSLEY: Very well.

Section stands.

Progress reported.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—UNDERTAKINGS IN GENERAL INTEREST AND FINANCIAL ASSISTANCE TO PROVINCES

The house resumed, from Friday, May 31, consideration in committee of the following resolution—Mr. McLarty—Mr. Vien in the chair:

That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress out of moneys appropriated by parliament, and for such purpose to supplement the measures taken by the provinces towards providing assistance to those in need, establishing unemployed persons in employment and training and fitting suitable persons for productive occupations, and also to provide financial assistance to the provinces by way of loan, advance or guarantees out of unappropriated moneys in the consolidated revenue fund, and for the appointment of necessary officers, clerks and employees.

Mr. HANSON (York-Sunbury): It might be well for the minister to make a general explanation, and it could then be decided, by consent I hope, whether there should be a full discussion on the resolution or on the bill in committee of the whole. We should not rush this important matter too fast.

Hon. N. A. McLARTY (Minister of Labour): There is no inclination whatever

on my part to rush this resolution through. It is altogether in the hands of hon. members whether they wish to debate the matter on the resolution or on the second reading of the bill.

Mr. HANSON (York-Sunbury): Or on both.

Mr. McLARTY: Or on both. I do not know that I can add much to the statement which I made on Friday night. This is of course the resolution on which is predicated the passing of the act that has been put through annually since 1936. In the previous three years it has been passed, I believe, without amendment. Apart from the amendments necessitated by dates in the bill, there are only three amendments that are included. In the preamble there is a reference to our war endeavour with the idea that our effort under this measure will be directed not only towards relieving unemployment but towards regulating employment so as to increase our war endeavour.

In section 3 of the former act it was provided that the dominion should of its own motion undertake works projects. It was thought, in view of the extensive war expenditures which the dominion is at present making, it might be well if, instead of carrying out these projects under the act, should they become necessary, vital and essential, they could be made under a special estimate which this house could pass upon.

The third amendment deals with the question of loans to the provinces to enable them to carry on their proportion of the expenditure under the act. That amendment merely provides that whereas in the act, as it was re-enacted last year, such loans could be made by the Minister of Finance and the government when necessary, it is essential that they should be in the national interest in view of the extensive expenditures we are making.

I do not know that I can add anything to that explanation of the amendments which will be included in the bill when it is introduced. In view of the fact that the report was tabled yesterday, I would prefer to leave a statement as to the general operation of the act during the past year until I have had the advantage of hearing the discussion in committee on the resolution.

Mr. MacNICOL: The minister should give us some report as to the plans he has in view.

Mr. McLARTY: As I explained the other night, I had hoped that possibly we might debate this matter on the second reading. However, I am completely in the hands of hon. members in that regard. I do not suggest it, but I had not intended giving any statement until I had heard the debate in committee on this resolution.

Mr. ROSS (St. Paul's): In January, 1938, a report was presented by the national employment commission, and practically none of the recommendations of that 1938 report have been carried out by the government. One of the great recommendations submitted by that commission was the establishment of a federal employment commission as opposed to provincial employment commissions. The minister ought to say something about this report. There were various interim reports. There was one in August, 1937, containing some important suggestions, and there was an interim report in September, 1937, in which certain recommendations were made.

We find ourselves in a difficult position to-day in Canada owing to the winding up of this commission, which should have been kept in existence all this time. Here we are faced with a shortage of skilled labour. The Minister of Munitions and Supply (Mr. Howe) told us some little time ago that it would not be long before there would be a great scarcity of skilled labour. What are we doing about skilled labour? Are we taking stock of the labour of the country? Are we seeing to it that some of these people who can be brought back to work are being brought back? Is there going to be any provision in this legislation for the rehabilitation of some of these men? We have a great opportunity at this time to get these men back to work. The minister should give us more information so that we can form some idea of what is proposed under this measure. This legislation requires a great deal of discussion before the bill is introduced, and the minister should be able to get from hon. members through this discussion a quantity of valuable information. I said not long ago that what we should have in Canada to-day is a national registration. When the national employment commission started on its job, it said, Why was this done? That is this registration. There were many reasons. They are set out on page 79 of the report, as follows:

> Because the commission found very little accurate detailed information about relief recipients in existence; because any aggressive attack on unemployment to be real and constructive must be based on known facts; and finally because the commission had as one of its statutory functions to advise the government in respect to the expenditure of millions of dollars. . . .

That is why we need a national registration at this time, and that is why this commission should be working at the present moment.

That is why we should still be gathering these statistics as to what these people are capable of doing. How can we expect to bring out the full war effort of this country unless we know what men we have available? The information must be obtained.

Mr. McLARTY: I take it the hon. member is reading from the report of the national employment commission in relation to the registration of those on welfare. If he is reading that, we have, and have had for two or three years, that registration. He may be referring to a broader registration.

Mr. ROSS (St. Paul's): The minister has the registration made by the national employment commission.

Mr. McLARTY: Which is being continued.

Mr. ROSS (St. Paul's): Which is being continued at the present time. He has a registration of unemployed people and what they can do.

Mr. McLARTY: We have the registration as recommended by the royal commission.

Mr. ROSS (St. Paul's): He has a registration of the unemployed.

Mr. McLARTY: Not the unemployed; those on welfare.

Mr. HANSON (York-Sunbury): But that is only in relation to relief.

Mr. ROSS (St. Paul's): I was going to say the commission could not get anywhere without a national registration. Their problem at that time was the question of expenditure of money in getting people back to work. Our present problem is just the same—to get these people back to work; and I do not see how we can do it unless we have a full registration all over this country so that we may know what people are available and what they can do. Moreover, we must have some kind of federal agencies, as opposed to the various local and provincial ones. I know that in Toronto, for instance, the employment agencies run pretty well, but there is need for a federal agency of some kind at such a time as this to coordinate our efforts.

There are in this report many more recommendations which might well be put in force at the present time.

Mr. HANSON (York-Sunbury): I think we should have from the minister a general survey on the resolution. I hold in my hand volume two of the report of the royal commission on dominion-provincial relations.

Mr. THORSON: Have you read it?

Mr. HANSON (York-Sunbury): Part of it. In the very first chapter, beginning at page 15, it deals with the social services. From there on, it contains sweeping recommendations with respect to this vexed question of unemployment relief. According to the brief summary which the minister gave the other night and again to-day, it is apparently his purpose to introduce the same old bill with little if any substantial modification, and to continue to follow the system which has been so unfavorably commented upon by this royal commission. The government may have very good and substantial reasons for continuing the old system and its procedure, but I suggest that at this point the committee is entitled to hear from the minister a precise statement of why the government are following the old system, and certainly a statement at some stage—and I think now is a good time—of the government's policy with respect to the changes proposed by the commission. I intend to deal with these proposals of the commission during the course of the discussion either now or at a later stage, but I think now is the proper time to have this discussion. I invite the minister to give us a statement as to the government's policy, as to why they are following the old practice, and to give this house and the country a statement of their policy with respect, first, to the sweeping condemnation of the old system by the royal commission, and, second, to the very important recommendations made by the commission with respect to this vexed question. If the minister has not read the report, I should like to direct his attention to volume two, pages 18 to 31.

Mr. McLARTY: I assure my hon. friend I have read it.

Mr. HANSON (York-Sunbury): I assumed the minister had. I invite him to make this statement to the committee after the dinner recess.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. HANSON (York-Sunbury): When the committee took recess, I was inviting the minister as gently as possible to give a review of the operations of this legislation for 1939. I wonder if he would be good enough to do so now.

Mr. McLARTY: Mr. Chairman, when the committee rose at six o'clock, I believe the suggestion had been made by the leader of the opposition that we might be well advised to consider the effect of the report of the commission on dominion-provincial relations upon the bill to be based on the resolution now before us. I appreciate most kindly his

observations in referring me to those particular pages in the report of the commission in which they deal with the matters of unemployment and social welfare. Perhaps the best statement I could possibly make to-night would be one based upon his observations as to the bearing of the report upon unemployment and agricultural assistance legislation. I am prepared to do so.

The report of the commission on dominion-provincial relations is a most excellent one. With that statement I believe all hon. members will agree. As a result of representations by various provinces, communities and organizations, we have before us to-day—a day which perhaps is not as fortunate as it might be—the report of the work of that commission. I say this is not as fortunate a time as it might be because of those occurrences which have given us very little time either to sleep or to think.

This report contains excellent recommendations. In so far as it relates to legislation such as that now before us, it recommends, in the first place, that in the matter of unemployment aid the dominion government should assume the responsibility for all financial contributions required in connection with that particular undertaking. In respect of unemployment it recommends, as you know, sir, that those who are unemployable shall be a definite charge on and the wards of the provincial and municipal authorities which may be affected.

I believe I might go more deeply into that phase of the matter. Generally speaking, those who are on unemployment aid represent not more than 90 per cent of those who are employable. I might suggest that the report of the commission on dominion-provincial relations is a matter which might not properly be debated in the committee at this particular time.

Mr. MacNICOL: It should not be.

Mr. McLARTY: I say that definitely to the leader of the opposition, and for this reason: There are implications which do not involve the dominion government alone. My hon. friends opposite know that. Those implications involve provincial governments and municipalities. And if we assume the right to deal with the matter, as apparently the leader of the opposition believes we ought, we are dealing with obligations which are not peculiarly our own but rather are related to the provinces and municipalities throughout Canada.

Is there any question of that? Is there any doubt about that? In addition, when it is suggested on a resolution on which a bill is to be founded that I should deal with the whole matter involved in the report of the commission on dominion-provincial relations, might I suggest that the words of the Prime Minister (Mr. Mackenzie King) might well be borne in mind.

On one occasion the Prime Minister stated:

> As previously indicated the report of the commission will be submitted to parliament and to all provincial governments. After an opportunity for careful study of the report has been afforded it is the purpose of the government to invite all the provinces to take part in a dominion-provincial conference and consider the most effective means of dealing with the problems which occasioned the appointment of this commission.

Then, in *Hansard* for January 16, 1939, the Prime Minister is reported as follows at page 63:

> What would be the effect on the provinces, with the constitution remaining as it is to-day, if that theory were admitted for one moment?

The theory, Mr. Chairman, will be enlarged as the opportunity presents itself. The Prime Minister continues:

> What authority has to do with the control of the whole question of employer and employee, of master and servant? What authority has to do with the regulation of hours and conditions of employment in mines? What authority has to do with workshops, with factories? What authority alone has any power with respect to wages and hours of labour? Only the provincial authorities. And as long as the provincial authorities have the control of these matters which are all-important in dealing with the question of employment, they must necessarily have some responsibility for the solution of unemployment. Imagine the situation in certain of our provinces to-morrow if a government were in power here which had come to power on the declaration that it was going to assume all the burden of dealing with unemployment and had assumed that obligation as its own? Imagine what some of our provinces would do with respect to many matters that were causing them trouble or embarrassment.

May I refer again to page 64, where the Prime Minister states:

> It has been said repeatedly back and forth throughout this country that the purpose of the commission was to say what is to be done and that we are leaving it to a commission to settle the whole matter. That is not the purpose of the commission at all. The commission has the authority to make recommendations, but this parliament alone can bring about any amendment of the British North America Act, and it will require with respect to some matters the consent of at least some of the provinces, in regard to some, possibly all. If we are to get the act amended it would seem we must bring about some kind of conference between representative men in the provinces and representative men in this parliament. I believe such a conference can be brought about and that it can be both successful and helpful, because I think the experience of the last couple of years has made it plain to

all citizens of this country that there must be a getting together of representative men from all parts of Canada and, as a result of conferences between them, agreement reached on some very necessary amendments to the British North America Act which will meet with the acceptance of the provinces and the dominion.

That is what is meant in the reference in the speech from the throne to a national conference. It is not a national conference to tell the government what it ought to do or should not do. It is a conference to give this country the fruits of discussion, between representative men, based upon information that is absolutely essential and reliable, and which would enable those interested to work out intelligently the amendments to the British North America Act which sooner or later must be worked out if we are to have a solution of more than one of our present day problems.

The leader of the opposition suggested this afternoon that it might be well if I made a statement to this committee to the effect that because the dominion-provincial commission had brought down its report, certain amendments should be made to the Unemployment and Agricultural Assistance Act. I wonder if my hon. friend realizes exactly what that involves? This house met on May 16. Shortly after that, the report of the dominion-provincial commission was laid upon the table of the house. On the other hand, the report of the commissioner under the Unemployment and Agricultural Assistance Act was laid upon the table of the house only yesterday. Is it fair to suggest that because of recommendations brought in by a commission, which was not a unilateral commission, that the dominion should do certain things on the one hand, and the provinces should do certain other things on the other, that this government should deal with them without their being considered by the provinces?

Let me suggest this. My hon. friend knows that so far as employables are concerned, the recommendation of the national employment commission, to which the hon. member for St. Paul's (Mr. Ross) has referred, was that this should be controlled by the dominion government. But there were other recommendations. It was recommended that unemployables should be the responsibility of the provinces. In other words, this is not a unilateral matter concerning the dominion government only. It is a bilateral or a trilateral duty which affects the provinces and the municipalities as well.

I do not know that I need say much more. I feel that I would be stepping entirely outside the scope of my authority were I to deal with a recommendation of the dominion-provincial commission. I would be committing this government to a policy which is something I have no power to do. I do not wish to evade my responsibility in any way, but I feel that the recommendations of the dominion-provincial commission should receive wider consideration than can be given in a period of two hours before any definite move can be made in connection therewith. There may be certain questions with which I might well deal. There may be certain matters of unemployment with which I might deal and thus add to the debate on this matter. I know that many hon. members will speak upon this resolution, and there is no objection to that so far as I can see. I shall endeavour to the best of my ability to contribute to this debate. I do not think, however, that this is the proper time to add to the measure of debate that will inevitably ensue.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Chairman, I suppose I should feel properly rebuked after that speech, but I must confess that the remarks of the minister leave me cold. I thought possibly that by drawing his attention to the report of the royal commission, he would take us into his confidence at this time with respect to the recommendations which were made therein. I think the minister has made a fair statement from the point of view of himself and the government as to why that should not be done at this time. With that point of view I am not in disagreement. I quite realize, as must hon. members who have been in this house for any length of time, that the question of jurisdiction is involved.

I recall the debates which took place in this house as long ago as 1924 and 1925 when unemployment in Canada first received consideration at the hands of this House of Commons and parliament. I remember the principle being laid down that unemployment relief was, under the provisions of our constitution, a matter solely for the municipalities involved. I believe that still remains a constitutional principle. But having regard to the magnitude of the question, as it has developed since 1929, we all know that in stern reality this question of unemployment relief is one which, because of the necessities of the situation, cannot be left to the municipalities to solve. When it becomes a matter of considerable magnitude, it devolves upon the provinces because the municipalities are, after all, but the creatures of the provinces. That is, I think, the correct position with respect to the question of unemployment relief, unless and until the whole problem becomes a national problem beyond the financial resources of the provinces and municipalities to deal with. Then, when it has become a national problem, as it has been for the space of ten years, it must be dealt with, in the very nature

of the case, and by the very force of circumstances, by the federal parliament itself because it has become a national problem. With that I think we are all in agreement.

My references to the report of the royal commission on dominion-provincial relations were simply to call attention at this time to the position which the commission took towards this great problem because of its national character. I have no great objection, since the minister refuses in any way to be drawn, to the matter being left open for future consideration. I know as well as he does that the provinces have to be consulted, but I had hoped that after ten long years of dealing with this national problem, the government might at this time offer something in the way of a practical solution in dealing with this as a national problem.

What has been the attitude of various governments? I well remember the first bill dealing with unemployment relief which was brought down in the house in the session of 1930. There was not a man in this chamber then, and I doubt if there was a thinking man in Canada, who ever had the idea that this problem would not only be with us for ten long years but grow to the magnitude it has reached. If we had conceived at that time that it would become a problem of national magnitude, we might have—I do not say we would have—dealt with the problem *ab initio* from a different point of view; but there was not a man among us on either side of the house who had any conception of the extent and character of the problem that was confronting us or that it would be with us for these ten long years.

Having failed in my very humble way to get the minister to give us even a review of last year's operations, I shall not at this time make any extended remarks. I would hope, however, that as the resolution passes through the house and the bill is introduced, the minister will give members of the committee of the whole the widest possible latitude in discussion, and that you, Mr Chairman, in the judicial discretion which you exercise, will be good enough to give hon. members your best consideration and the widest possible latitude in discussing all the various aspects of this problem.

I have had the privilege of reading last year's report and the report which was laid on the table yesterday, and have had an opportunity of giving some little study to the whole problem, and I must say before I take my seat that I am a little disappointed that the government are not attempting to deal with this problem in any new way or to extend in any manner the underlying principles of the legislation which has been put on the statute books year after year now for ten years. All we are doing is simply bringing down a repetition of the grants in aid to the provinces. We have not a word to say about how the money shall be expended; we have nothing to do with administration, and I am afraid that a great deal of abuse has occurred and a great deal of federal money has been wasted through these grants in air. I well remember hearing the Prime Minister (Mr. Mackenzie King) on more than one occasion say in this house that it was wrong in principle for the taxing authority in one jurisdiction to collect money from the people of this country and hand it over to another jurisdiction to spend, and that I believe was a sound stand to take. Nevertheless that is the very principle which we have followed in large degree since the inception of unemployment relief legislation. The amount of money that has been expended in this way in Canada is huge. I have drawn a few figures from the reports that I have read, and I find that the total dominion disbursements under relief legislation from the commencement of such legislation in 1930 to March 31, 1940, reached the huge sum of $377,946,890.57.

Mr. McLARTY: I do not want to interrupt my hon. friend, but it is $965,000,000 up to 1937.

Mr. HANSON (York-Sunbury): By the dominion?

Mr. McLARTY: By all.

Mr. HANSON (York-Sunbury): I am taking my figure from appendix "E", recapitulation of dominion disbursements under relief legislation to the end of the fiscal year 1939-1940, which will be found appended to the commissioner's report, and if I read the figures aright, $377,946,890.57 is exactly the amount of dominion disbursements. The figure my hon. friend has in mind, if he will allow me, is the total disbursements of the dominion, the provinces and the municipalities from 1930 to December 31, 1939, which amount to $937,000,000.

Mr. McLARTY: Yes.

Mr. HANSON (York-Sunbury): I have no doubt that by the end of the fiscal year, March 31, 1940, they have reached the larger figure which the minister mentioned. I point out that these statistics refer solely to expenditures under relief legislation. But in addition there are expenditures of public money under such headings as the National Housing Act, the home improvement plan, which of course is supposed to be more or less self-liquidating and I hope may be fully self-liquidating; the

Prairie Farm Rehabilitation Act; direct public works on behalf of the dominion which were made for alleviation of the unemployment problem, and similar measures. I understand that the expenditures under the Prairie Farm Rehabilitation Act from 1935 to date amount to approximately $9,600,000, and I have no doubt that the total expenditures for relief in all categories cannot be far short of $1,500,000,000. That is a huge, a staggering sum of money for a small country like Canada.

Mr. McLARTY: I think it fair to remind my hon. friend that his figure is largely overdrawn.

Mr. HANSON (York-Sunbury): I will admit at once that I have not been able to build a figure up to that sum. But I recall that we start with nearly a billion dollars, and direct expenditures by dominion, provincial and municipal authorities constitute two-thirds of the total amount. I have not before me, although no doubt the minister has, the total of the money expended by this dominion under the National Housing Act—which may, of course, and we all hope will, come back to the treasury. The home improvement plan, the Prairie Farm Rehabilitation Act, and expenditures by the dominion on public works, having in view relief, must have been very substantial, at least $250,000,000. While I do not know the amount, it has been very large, having regard to all the relief which we have advanced to the railways and other authorities for that purpose, some of which money, of course, should come back.

Mr. McLARTY: Perhaps my hon. friend will pardon me if I suggest that, while it may be difficult to determine the amounts advanced under the housing act and the home improvement act, it would be unfortunate to assume that these advances are lost.

Mr. HANSON (York-Sunbury): I never suggested that they were lost. I said, I think explicitly, that these undertakings were supposed to be self-liquidating—

Mr. McLARTY: Quite.

Mr. HANSON (York-Sunbury): —and that they were undertaken, in a degree at all events, as I apprehend it, to assist.

Mr. McLARTY: With no loss.

Mr. HANSON (York-Sunbury): That, I have no doubt, was the intent and desire of parliament when it passed those acts. We hope that losses will not result, but I believe there will be loss in connection with some of those loans, and the dominion government will have to bear a share of any such loss.

[Mr. R. B. Hanson.]

An interesting item appears in the *Labour Gazette* of May, 1940, page 411, with respect to the number of persons in receipt of direct relief during the month of March. The figures are startling, having regard to the fact that we have had better crops recently and that the war has absorbed, in a measure at least, some of the employables among the younger men. It is stated that the grand total of all classes of persons on urban and agricultural direct relief across Canada in March, 1940, was 768,500. These figures, as I understand it, were released by the minister himself and are the preliminary results of a registration of all direct relief cases carried out for the department by the provinces and municipalities in the month of March. It is true—and I am glad to see it—that the total for March, 1940, compared with the same month in 1939, shows a decrease of 25 per cent, according to the report in the *Labour Gazette*; while in comparison with March, 1938, the dominion figure was down by 26½ per cent, and both urban and agricultural relief show decreases as contrasted with the situation a year ago. But the problem is still a large one.

Mr. McLARTY: Has my hon. friend the figures for March, 1933?

Mr. HANSON (York-Sunbury): No, I have not, but I know they were very large.

Mr. ROWE: What has that to do with the situation?

Mr. HANSON (York-Sunbury): That, of course, has nothing to do with the situation which is immediately under review. The *Labour Gazette* further gives this information, that unemployed but fully employable persons on relief in March of this year numbered 172,000. That, of course, is a marked decrease from the peak year, but still it is a lot of people. I admit that so far as my part of the country is concerned, March is an in-between month; winter work in the lumber camps is pretty well over and summer operations have not begun, so my province may have contributed a little to any increase shown in that month. I learn from this report that there is an increase of one per cent in that month over the previous month, but that the figure for March of this year shows a decrease of 10½ per cent compared with the figure for March a year ago and a decrease of 1½ per cent from the figure for March, 1938. I would remind the minister that in the interim war has been declared and approximately 100,000 men have enlisted. I do not want to impugn the motives of any man who has enlisted, but many of these younger men—not all—enlisted because they could not find employment and because the rates of pay established by the

government were attractive. They were. Boys have come into my office and figured out what it would mean to them in dollars and cents. I have tried in every case to remind them that this is not a matter of dollars and cents but of a duty to their country.

According to the same authority, a total of 646,000 persons were receiving non-agricultural relief in the month of March. This was a slight increase over the previous month, and that month shows a slightly larger increase over February, 1939. This category includes all totally unemployable, partly employable and fully employable persons, together with all dependants of family heads.

I am not going into the question of the dominion total of agricultural relief which is touched on in this article in the *Labour Gazette*. I give these figures to the committee merely to emphasize the magnitude of the problem which is still with us; and if the minister, in his wisdom and his undoubted discretion, does not wish to go into this whole question of unemployment relief, the manner in which it has been carried on in years gone by and the manner in which he proposes to carry it on for the coming year, I cannot quarrel with him, because after all he is charged with the responsibility of conducting this measure through the house, and I believe that any minister has the right, when he is conducting a case, to carry on in his own way. So I shall not quarrel with the minister if at this stage of the resolution he does not desire to go fully into these matters, but I should like to have him say that he will be good enough to reserve to the members of this committee full right of discussion on all the important questions which may arise when the bill to be founded on this resolution is in committee of the whole.

Mr. McLARTY: Mr. Chairman, I have not the slightest reluctance to give that undertaking: I do not wish now or hereafter to curtail debate upon this measure. If I have not taken the opportunity to give an address as to the general policy and scope of the legislation, I know my hon. friend will be kind enough to assume that the opportunity will come when every hon. member can say all he wishes to say in connection with this particular measure.

Mr. CLARENCE GILLIS (Cape Breton South): The resolution moved by the Minister of Labour (Mr. McLarty) asks for an appropriation of moneys for the purpose of alleviating unemployment; and as I have the honour to represent in this parliament a constituency that is badly affected by unemployment and potential unemployment, I would ask the indulgence of the committee for a sufficient time to draw the minister's attention to conditions as they exist in Nova Scotia, particularly in the mining industry. In listening to hon. members for the past several days discussing the unfortunate situation in Europe, there were times when I felt they were describing conditions in some sections of Nova Scotia that I have the difficult task of representing in this parliament.

This being my first time to view the machinery of government at close range, I hope that my present impressions are due to strained world conditions. As a worker, I look on parliament as the place where my problems and the problems of my fellow workers should be solved and not as a place where political advantage is the main interest to the destruction of Canada and the confusion of our people—with the dominant factor uppermost, that power overrides justice. I trust my impressions are wrong.

I am going to be as brief and explicit as possible in what I have to say, because I realize that the members of the government are charged with the responsibility of planning and carrying out the details in the operation of the machinery necessary to the proper prosecution of the war. The only comment I intend to offer at this time on the question of the prosecution of the war is that I should like to draw the hon. minister's attention to the condition of industry, particularly coal and steel, from the worker's point of view.

During the past few weeks I listened with a great deal of interest to the government's planned war effort, and every phase of the necessities for an organized effort was gone into, except, in my opinion, the most important one, which was never mentioned. I refer to the workers in industry, who will, in the final analysis, have to produce the sinews of war, and what is their position to-day? In the mining and steel industry from Ontario to Cape Breton Island in Nova Scotia, there is not a section of the workers but are at war with the operators at the present time, trying to put into operation the laws of the country as laid down by the federal government—the right to organize and bargain collectively with their employers. Coal and steel are two industries that are absolutely necessary to a proper prosecution of the war. In the steel industry the operators take the position that they will not recognize a union regardless of the efforts made by the workers to bring them together through the departments of government, both federal and provincial.

In the mining industry in Nova Scotia where they have established collective bargaining for the past thirty years, the operators, taking

advantage of the war and the War Measures Act, have refused and retarded negotiations for the past eighteen months, and to-day in Nova Scotia there is not a section in the mining industry that is under contract with the operators. This also applies to the steel industry of Nova Scotia. I see in this situation, with all the planning of government to speed up industry, work twenty-four hours a day and so forth, the possibility of the workers in these industries being placed in a false position, because I think the time is coming, regardless of the war, when they are going to demand from the operators the treatment to which they are entitled, namely, the right to exercise their citizenship. I think it is the prerogative of the Department of Labour, because that department is, in my opinion, a department of labour, to function one hundred per cent for the purpose of ironing out the problems of labour as they arise.

I am calling this to the minister's attention, because I think one phase of our war effort that is absolutely necessary at the present time is that labour should be given the right to organize and bargain collectively and that employers should be forced to sign contracts setting out wages and conditions, and in this way the worker's mind will be set to rest. He can go to work, budget on what income he has, and pay the necessary attention to cooperating with the government in prosecuting the war. On the other hand, if he is not treated as a human being and accorded full citizenship rights, the only thing for him to do is to fight back, and we do not want to be forced in the present situation into a position in which we may have to wage an industrial war in order to establish industrial democracy in Canada. I trust that the Department of Labour will immediately take into consideration the enforcement of that legislation which gives the right to organize and bargain collectively and to strengthen that legislation by compelling operators to sign collective agreements, because where there are no collective agreements, there is not collective bargaining.

I should like, for the benefit of the Department of Labour, to give over briefly the set-up as it exists in Nova Scotia, particularly in the mining industry.

I would draw the attention of the hon. Minister of Labour to a war that is being waged in Nova Scotia, between the operators of the mining industry and the people who are the owners, but who were dispossessed of their birthright by act of government, when the coal leases were placed in private hands to be exploited for profit. There are approximately 10,000 miners in Nova Scotia all employed, in my opinion, by the one company, the Dominion Iron, Steel and Coal Company linked up by a merger approved in the nineteen-twenties. The Acadia Coal Company, the Dominion Coal Company and the Cumberland railway were tied into what was then known as the British Empire Steel Company. This later was changed to Dominion Iron, Steel and Coal Company. That merger, on paper at least, has been broken and the Scotia and Acadia companies went through the process of liquidation. But the Dominion Iron, Steel and Coal Company still directs them. This corporation alone employs approximately one-quarter of Nova Scotia's working population. The coal company also operates a railway from Glace Bay to Louisburg. That road comes under the Maritimes Freight Rates Act and receives all the concessions enjoyed by the Canadian National Railways. It also operates a machine shop at Glace Bay. The men employed are paid by the coal company. There are two departments of this shop that perform railroad work only. The wages paid to the men engaged on this work are nineteen cents an hour below the railway rates paid by the other railways including the Sydney and Louisburg railway.

The federal government subsidizes this railway to a considerable extent, and in qualifying under the Maritime Freight Rates Act the railway, I understand, is supposed to maintain a first-class carrier service. The function this road performs at the present time, and has performed for a considerable time, is to transport the company's coal back and forth between Glace Bay and the piers in Louisburg, and it maintains practically no carrier service. In that area there are approximately 60,000 people who are without any decent train facilities whatever. In the past twelve years the federal government has subsidized this short road to carry on the work of the Dominion Iron, Steel and Coal Company, to the extent of $2,608,000, and at the same time the workers employed in the auxiliary shops doing railway work one hundred per cent are paid very much lower than the regular railway rates. That is a matter which should be checked up.

My conception of the subsidy is that it is paid for the purpose of maintaining the railway, keeping the rolling stock in repair and assisting in paying the wages of the employees, and so far as I can see, that company is not carrying out that part of the arrangement. There has been considerable friction in connection with that end of the company's operations. A conciliation board has been applied for by the men to whom I have referred particularly, but so far it has not materialized. We hope that something

will come out of it when it does function. These two departments of the railway employees have made application through the United Mine Workers of America for a board of conciliation to determine their status, but to date no reply has been received from the Department of Labour as to whether such a board would be granted or not.

The coal situation is briefly this: In Nova Scotia in the past ten years several mines have been closed, affecting about 1,000 men. The solution has been to transfer the men displaced to operating collieries which were already overcrowded. As shown by a recent statement by Doctor F. H. Sexton, president of the Nova Scotia technical college, there were 15,000 unemployed youth in Nova Scotia who never had a job. In transferring these men they only aggravated the conditions in the other collieries, the result being that a large number of men reported for work and then returned home again. At present we have the assurance that there are two more mines scheduled to close—one at Reserve being partly closed now, with the other in the Glace Bay area being gradually closed. The closing of these two mines will affect some 1,500 men and their families. The coal company has been promising the opening of a new mine, but to date this has not happened.

That was the situation until I left for Ottawa. They are working slack time on account of the fact that a large number of the boats used to transport coal to the Quebec market were transferred to carrying war material overseas, necessitating the moving of coal to Montreal by rail, and this, being a very slow process, results in the curtailment of operations in the mines. The miners of Nova Scotia feel that they have been robbed of their birthright because coal being a natural resource belongs to the people, and when it is placed in private hands the tendency is to take the cream and leave the skim milk to the people. This is exemplified in Inverness county, where, in our opinion, the coal field was worked as long as it could be profitably, and when profits could no longer be made, it was left to the people, who for the past number of years have been eking out an existence on a relief basis with the local government carrying on the operation. The miners feel that the federal government has an equity in the Nova Scotia coal industry and that the time has arrived when an investigation should be made, because slowly but surely the province is becoming a place of ghost towns and demoralized people.

In addition we have about forty thousand fishermen in the maritimes who are in an even worse position than the miners, their average income being between $200 and $300 a year. These people are not asking for relief or charity but are demanding that the responsible authorities see that the industries are so organized and planned that the workers have an opportunity to live as decent, respectable citizens. The miners appreciate the assistance given the industry by way of subventions, but we feel that the government should make sure that this assistance is used for the purpose for which it was intended, namely, to assist in providing a better standard of living for the people who produce.

The people of Nova Scotia are making a wonderful effort to solve their own economic problems by cooperative efforts. They have already established 180 credit unions, 43 stores, 17 lobster factories, 7 fish plants, 8 community industries and some 10 other co-operatives. The total number of cooperative organizations in the maritimes is 422. The volume of business done by them runs into the millions of dollars. Other cooperative organizations are hospitalization schemes and housing groups. I should like to make this clear, that the efforts of the people themselves to solve their own economic problems give proof positive that they are not looking for relief or charity, but they are in that position, and kept there, by a system which obliges them to accept relief. I have just described the cooperative set-up whereby the workers themselves are working out their own problems in trying to take over the services of the organizations that have been exploiting them for generations, but they are in this position that, regardless of how well organized that movement is or how successful it is in taking over retail and wholesale business, by reason of the fact that the British Empire Steel Corporation controls the pay envelope of a great majority of the people engaged in that endeavour, the movement is in jeopardy because the company, controlling that envelope, makes the position such that if there is a shut-down of a month or two, these undertakings are crippled, the purchasing power of the people who operate these movements is taken away, and the movement can be wiped out of existence. The people who are working along cooperative lines in Nova Scotia believe that it should be the obligation of the federal government to see that they are given a chance to develop that movement.

I have heard many statements and have read editorials in the press, characterizing this Cooperative Commonwealth Federation group as Sunday school socialists, camouflaged communists, and everything of that kind, and saying that they largely draw on their imagination for many of the statements they make with respect to the problems of the people

they represent. In order that I may not be charged with making statements without good authority, I should like to read something for the information of the minister. I draw this to his attention because he is the Minister of Labour, and I represent in this parliament chiefly labour. I look upon the Department of Labour as the department of government to which I should appeal for redress of many of the problems to find the solution of which I have been sent here. This is a telegram I received from the machine shop workers organization in Glace Bay. There was a fire there which threw approximately 200 men out of employment. That occurred since I came here. The telegram, which is from the president of the Mechanics Local, United Mine Workers of America, reads:

> Entire machine shop in ruins, disastrous fire swept large building Sunday, approximately two hundred men thrown out of work, we are waiting decisions of locals re levy to relieve distress twenty men at work others idle.
>
> Gordon Livingston,
> President Mechanics Local
> United Mine Workers.

The mechanics local of the mine workers did not appeal first to the government for relief; they appealed to the members of their own organization. It has been the practice in the past as far as the mine workers are concerned that as an organization they have carried thousands of dollars of their own relief in the way of distress money, and as I said, they are not looking for charity or relief.

I call attention to another item from the town of Glace Bay, dated May 8, relating to relief. The town of Glace Bay has a population of about 26,000, and approximately 7,000 of the 12,000 miners of Nova Scotia are centred in and around that town. This is the section in which two mines are threatened with closure. It affects not only the miners directly but also the business people and the institutions that have been built up in that community in the past thirty years. This dispatch, dated Glace Bay, May 8, reads:

> Decision of the town council in session tonight was that the case of miners being unable to get work was a responsibility of the provincial government, as the town of Glace Bay could not provide for the men who are unable to get further employment at collieries where they have been employed in the past.

Two of these mines are being gradually closed; men are being added to the ranks of the unemployed; the mines that are operating are overcrowded, and so many men report for work, go into the mines, stand in the bottom two or three hours and then wend their way home, spending probably four or five hours, and earning absolutely nothing. The situation in that area with respect to coal mining is becoming very serious. Just before I left for Ottawa I was called from section to section of that constituency, and the people themselves, without any solicitation from any political organization or union, met as citizens and prepared briefs to be presented to the different governments.

I should like to read something I have before me which sets out the situation in the area in question. The document I have before me is from Morien, in Cape Breton. It is dated May 5, 1940, is drawn up by a citizens' committee, and reads:

> At your request your committee has compiled a brief resume of the adverse conditions under which the people of Morien and Birch Grove have been labouring for the past ten years and some suggestions as to how they may be remedied.
>
> When the colliery at Birch Grove closed down in 1929, all those employed there were compelled to seek employment elsewhere, the most of whom obtained employment in the collieries in Glace Bay.
>
> A workmen's train leaves Morien daily at 5 a.m. and returns at 5 p.m. conveying the men back and forth to their work, this means that they are twelve hours away from home, have to spend long hours on the train leaving no time for leisure or to take any interest in the affairs of the community.
>
> Since the colliery closed at Birch Grove ten years ago, very few of the young men that became of age during this period were able to obtain jobs of any kind, the result is that there are now over 200 young men in these two communities between the ages of eighteen and twenty-six years who have never had any steady employment of any kind.
>
> Morien at one time was a thriving, prosperous mining town with a population of three thousand people who earned their living in the mines that were in operation here. The population has now decreased to about one thousand people who are mostly dependent for a living on what work they can obtain in the Glace Bay collieries.
>
> The town as a whole is slowly decaying. The workers are all in the "low income group" and do not obtain enough in wages to maintain their homes properly, and are not able to contribute very much for the support of the school, churches or any civic improvements.
>
> The solution to our problems is to have a coal mine opened in this district and place all the men from Morien and Birch Grove who work in collieries Nos. 2, 4, 11 and 24 at work in the new mine. All the unemployed young men could be placed at work as the mine was developed and our community would take on a new lease of life.
>
> All the coal areas within this district are owned or controlled by the Dominion Coal Company, a large section being held under the ninety-nine year or blanket lease.
>
> In 1923 a geologist in the employ of the Canadian geological survey made a thorough examination of this district and his report is published in "memoir No. 133" of the federal department of mines. This report deals in great detail with the coal seams in the Morien basin and sets forth plainly that there are four workable seams of coal in the Morien areas, containing millions of tons that can be easily mined, and readily sold in the markets of the

world, for in the days when the Blockhouse and Gowrie seams were being mined by Belloni and Archibald, these coals established a reputation that was second to none.

Mr. HARRIS (Danforth): What is the hon. member quoting from?

Mr. GILLIS: I thought I made that clear. I am quoting from a brief drawn up by a meeting of citizens in the town of Morien, Cape Breton, Nova Scotia. The brief was drawn up for the purpose of having it presented to the local government, and I was instructed to bring it here and, if possible, draw it to the attention of the Minister of Labour, through the medium of the House of Commons.

Mr. BROOKS: What is the date of it?

Mr. GILLIS: May 5, 1940.

Some hon. MEMBERS: Go ahead.

Mr. GILLIS: It continues:

Some years ago a delegation of citizens in this town accompanied by members of parliament for this constituency and by the U.M.W. executive interviewed Mr. H. J. Kelly the general manager of the Dominion Steel-Coal Corporation in regard to future mining operations in this district and at that time Mr. Kelly stated that there was no question of the quality or the quantity of the coal in the Morien areas and that their corporation intended to open a colliery in Morien just as soon as the market for coal had increased enough to warrant it.

The time has now arrived when we believe we are justified in asking Mr. Kelly what they are going to do. With the war on the demand for coal has increased considerably and with two large collieries closing down within a short time, conditions should now warrant opening a new colliery in Morien.

The Dominion Steel-Coal Corporation receives large sums of money from the federal government in the form of bonuses for the coke they manufacture from coal and also receive assistance in the form of railway subventions to enable them to market more of their coal in western Ontario. This money is paid direct from the federal treasury and is raised by taxing all the people of Canada to which we contribute our per capita share and we take this opportunity to suggest to our representative in the federal parliament to put forth every effort he can to have these bonuses increased and the subventions extended so that there will be a larger market for coal from Nova Scotia.

In a very short time Dom. No. 11 colliery will be closed down and as there are about one hundred men from this district employed there, some provision will have to be made soon to find them employment or the local government and the municipality will be called on to provide them with relief.

If the Dominion Steel-Coal Corporation could be induced to start mining operations in this district in the near future, there would be no demand for relief and as an inducement to the corporation to make a start we would suggest that the government of Nova Scotia offer them exemption from the payment of royalties on all the coal produced in Morien for the next four years.

As a further inducement we suggest that the municipality set their assessment at about 50 per cent of their valuation for taxation purposes for the next four years on any new colliery they may start in this district.

From time to time we have heard that the corporation has plans to sink a shaft to the Gowrie seam near the shore, so as to mine the submarine areas of the Gowrie seam and also to win the Blockhouse seam by a cross-measures tunnel. There has been a proposal to sink a deep shaft to the Tracy seam in the Beaver dam section and also one to open a Slope mine on the north outcrop of the Gowrie seam. If any one of these proposals were to be carried out, it would meet with our entire approval and the company would receive the wholehearted cooperation of all those who reside in Morien.

The coal areas of this province are the property of all the people and should be worked for their benefit and the dead hand of a monopolistic corporation should not be allowed to cast a blighting shadow over this town of ours.

If we believe the democratic principle that human rights come before property right we then have every justification in appealing to our representatives in parliament and our leader in the united mine workers to put forth every effort to have a new mine opened in this district.

This is signed by a citizens' committee.

I should like to draw to the attention of the minister another brief presented in the town of Glace Bay, where this No. 11 mine is threatened with closing. At the present time it is being gradually closed.

Mr. McLARTY: I should not like to interrupt my hon. friend, and I am trying to gather the suggestions he makes. I am wondering however if, rather than read the whole of the brief, he might not give us a digest. I make the suggestion in the most kindly fashion.

Mr. HANSON (York-Sunbury): Go ahead and put it on the record.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I would draw standing order 58 to the attention of the hon. member, where it is stated that speeches in committee of the whole must be strictly relevant to the item or clause under consideration. I do not believe the reading of a brief would be permissible, under a strict interpretation of the rule.

Mr. McLARTY: I do not suggest that what the hon. member is reading is not relevant, but I am suggesting that he might give us a digest rather than the full text.

Mr. HANSON (York-Sunbury): Go ahead and read your brief.

Mr. MacINNIS: I would draw to the attention of the chair the fact that we are discussing a resolution preceding a bill. We are not discussing any particular section or subsection. The whole question of unemployment, and the application of unemployment

and agriculture relief legislation, is open for discussion. I think the hon. member who, for the first time is presenting the case of the working classes in the maritime provinces, ought to be given an opportunity to place his case before the House of Commons.

Mr. GILLIS: Mr. Chairman, my conception of the resolution before the committee, and particularly the first part of it, was that it dealt with unemployment. It would appear that the Department of Labour is asking for an appropriation of money for the alleviation of unemployment, and in order that the minister may fully understand the requirements of the situation I suggest that one of the first things he should know is the unemployment situation as it exists in the field.

I have read many reports on unemployment as it affects my own constituency, but in those reports I did not recognize the situation as I knew it. I did not recognize the situation from the report which had been drawn up by someone else. What I am endeavouring to do is to tell the Minister of Labour the story of labour when considered from the viewpoint of potential unemployment. Mines are being closed and the situation is growing worse. I should like to tell my story as I see it myself.

I want to draw this brief to the attention of the Department of Labour. For the past seven or eight years different ministers of the provincial government have done everything humanly possible to cure this situation. I do not say this with any political malice, but I believe absolutely that at the present time the Nova Scotia government is the British Empire Steel Corporation, especially as far as coal is concerned. That has been our experience. Not so long ago a mine in Thorburn, Nova Scotia, was to be closed. This meant that many men would be thrown on to the scrap-heap. The general manager of the Dominion Iron and Steel Company, Mr. H. J. Kelly, sat in with a delegation of citizens from that town. The head of the citizens' delegation asked Mr. Kelly if there was anything the provincial government could do to develop a mine in that area. I based my previous statement that as far as coal is concerned this company directs the provincial government upon what Mr. Kelly said to that committee. His answer was that as far as the government was concerned they had done everything they could, but the company had said there would be no new mine opened in that area.

The particular brief which I have before me emanates from a citizens' committee which was formed in Glace Bay. This was not drawn up by members of a union or by workers alone. This committee was headed by Reverend Father McKinnon, a Roman Catholic priest. The Reverend Mr. Crew, an Anglican clergyman, was also a member. The Reverend W. T. Mercer, another clergyman, was a member. This committee represented a more or less united front as far as religion is concerned. There are approximately 900 men employed in this particular mine, and they have learned from their union that the mine will be totally closed down within eighteen months. There are many schools and churches in this locality, and the working people have a considerable investment in their community. Should this mine be closed down, it will be nothing less than a financial bombshell as far as the town of Glace Bay is concerned, because that town receives considerable revenue by way of taxation. The provincial minister of mines and his deputy came to Glace Bay and met the members of this committee. I was present at the sitting of the committee, and we went over the plans of the coal company and considered what prospects and possibilities there were to continue the operations of this particular colliery. We could receive no assurance that operations would be continued. I was then asked to bring up the matter before this house and draw it to the attention of the Minister of Labour. This brief is headed "Introductory brief" and reads:

> This committee which is gathered here was selected at a large and representative citizens' meeting held in the legion hall, Passchendaele, Glace Bay, on the evening of April 8, 1940. The meeting was held as a result of the existing conditions in No. 11 colliery as affecting that community for the purpose of endeavouring to find some method to alleviate those conditions.
>
> In the report of the royal commission respecting the coal mines of Nova Scotia which was made in 1932 (commonly called the Duncan report) certain definite proposals are recommended for the reallocation of coal areas and concentrations of the output of coal mines. As a result of the recommendations contained in the Duncan report and apparently with the approval of the government of Nova Scotia a situation has arisen in the No. 11 colliery which has become very acute. Present indications are that this mine will be totally abandoned in approximately eighteen months. A large percentage of the men employed in this colliery are so affected at the present time that no work is available for them and transfers to other collieries are a common occurrence.
>
> We submit that the practice of transferring these men to other collieries operated by the Dominion Coal Company will not provide a practical solution to this problem. Twenty-two men who were previously employed in No. 11 colliery have been transferred to No. 4 colliery. No. 4 colliery is completely filled up at the present time, and there are no places available for any more men. There is no development work being carried on in this mine but future operations will consist only of pillar work.

By way of explanation I would say that pillar work is done only when a mine is gradually folding up. This work is done only when it is considered a mine will eventually close. The brief continues:

Several men have also been transferred to No. 24 colliery. On April 10th, 13 pairs of men were without places in No. 24 colliery and another section in this mine is due to close in about two weeks which will displace another 10 pairs of men. In No. 2 colliery there are at the present time approximately 40 pairs of men without places and eighty per cent of the work in No. 2 colliery is pillar work. No. 1-B colliery is overcrowded at the present time due to the fact that a large number of men formerly employed in the reserve collieries have become transferred to this mine. There are now 40 pairs of men employed on each shift in No. 20 colliery and the company does not propose to employ any more men in that mine for the present. As No. 20 colliery is developed it will be used to take care of men who are displaced in No. 2 colliery.

Taking into consideration the conditions which exist in all these mines in the Glace Bay district, it can be clearly seen that the problem of providing employment for miners who are displaced in No. 11 colliery will not be solved by transferring these men to other collieries. There are at the present time approximately 800 men employed in No. 11 colliery, the great majority of whom live in the Passchendaele district. These men, together with their families and other residents of the district, make a total of approximately 3,000 persons who depend directly for their livelihood on the continued operation of No. 11 colliery. There are also many houses, halls, churches, schools and business establishments in this district which would in time be rendered useless if this mine were allowed to close without any adjustment being made. In addition to this the town of Glace Bay has in recent years carried on new development work in this district by providing the comunity with new sewer and water facilities.

The additional burden which would be placed upon the town of Glace Bay through unemployment caused by the gradual closing of No. 11 colliery would be one which the town is in no position to bear, and it would be impossible for the town to adequately cope with such a problem. We feel that such a situation should not be allowed to arise without a thorough investigation being made by those with the authority to make such an investigation into the possibilities of a continuation in operation of No. 11 colliery and also the possibility of the opening of a new coal mine in the same district.

We, therefore, respectively ask that an engineer with governmental authority conduct a thorough investigation into the conditions which exist in No. 11 colliery for the purpose of finding out what amount of coal is available for extraction in accordance with the terms of the leases granted to the Dominion Coal Company. If, as a result of this inquiry, it is discovered that the colliery will be worked out in a short time and closed down, we ask that every avenue possible be explored with the view to the opening of a new mine in the Passchendaele district.

The provincial minister of mines and his deputy are cooperating with the miners one hundred per cent in an effort to find a solution to this problem. The leases held by the coal company are such that by the carrying on of certain operations these leases remain in force even though a mine may not be working. Therefore the company is in a position to hold the leases. The provincial government does not seem to have sufficient authority, or at least has not had up to date, to bring about a solution of this problem. Coal will probably be required in Europe. Press dispatches report that France is in a bad way as far as coal is concerned. Something should be done to develop those coal areas in Nova Scotia which are not being operated by the coal company at the present time.

The ACTING CHAIRMAN (Mr. Fournier, Hull): I am sorry to have to interrupt the hon. member, but he has spoken for forty minutes. He has, of course, the right to speak again on the resolution.

Mr. HOMUTH: A great deal of leeway, Mr. Chairman, has been allowed to all the members ever since the house opened, and I think it is only right that the hon. member should be permitted to continue.

The ACTING CHAIRMAN (Mr. Fournier, Hull): Certainly, if it is the wish of the committee.

Mr. GILLIS: It is not my intention to occupy very much more time, Mr. Chairman. But I did want to tell that story, and I think it is the first time it has been told in that way in this house. We feel that it is the obligation of the government to see that the people who are trying to do something for themselves are protected, and with respect to the creation of monopolies we feel it is the obligation of the government to see that no special groups be given easy and fat franchises out of which to amass untold wealth at the expense of the people, whether these franchises have to do with the monopoly of money, minerals, waterfalls—or other forms of power. There are certain things that we must not pass over to individuals, and we feel that a national resource such as coal is one of those things. We believe it is the function of the government to see that every other business is properly conducted by charter from the government, and that it obeys the rules of the game and is not permitted to assume a monopoly of power as so many have already done. We remember the revelations of the price spreads committee, whose report showed that many things were wrong in Canada, rotten in fact; yet the findings of that committee have travelled to the silence and dust of the upper shelves and nothing has been

done about them. We believe that it is the business of government in this country to equip the people with the instruments of freedom and then see to it that they have the full power to enjoy that freedom. We believe that it is the business of government in this country to make it possible for all to get enlightenment, without which no people can live in a free democracy, as is well exemplified by Germany at the present time. We want it clearly understood that it is not the possession of wealth and riches that we are objecting to so much, but rather that wealth should enjoy freedom to control the economic processes of the country and stand in the way of the creation of other wealth by the people. They are the bottle neck through which new wealth must pass before it gets to the people.

As I said at the beginning of my remarks, we are looking to the governments of Canada as at present constituted to see to it that the development of the cooperative as it exists in the maritimes, where it is well away on the road to success, is protected against such monopolies as the coal company which I have attempted to describe here to-night. We believe it is the government's duty to see that the company is not in a position to cripple that movement by virtue of the fact that it holds economic power over the lives of the people in that particular section.

Mr. A. HLYNKA (Vegreville): Mr. Chairman, may I first of all present to the committee a resolution sponsored by the United Farmers of Canada, Alberta section, signed by 2,049 members of that organization. The following is the text of the resolution:

> Whereas there appears to be no provision in the present wheat board act to allow the board to make a further payment on wheat delivered to it from the 1939 crop;
>
> And whereas conditions have changed considerably since the passing of the act and this country now faces the exigencies of war;
>
> And whereas it appears to be an imperative necessity to maintain an adequate supply of agricultural products;
>
> Therefore be it resolved that we the undersigned United Farmers of Canada, Alberta section, respectfully urge the dominion government, under the powers conferred upon it by the War Measures Act, to authorize the wheat board to make an additional payment on all wheat delivered to it from the 1939 crop, in time to enable the wheat producers to finance their seeding operations this spring and to carry on production efficiently during the duration of this war.

This resolution was passed some time ago, but the whole matter is as important as it ever was.

I do not think it is necessary for me to elaborate on this resolution, but I think the minister should give this committee some idea of the attitude which the farmers of western Canada may expect from the government with regard to this question.

There has often been used on the floor of this house a word which has struck me, namely, the word "assistance". Neither our farmers in western Canada nor, it seems to me, the employees in this country, are asking for assistance. We are simply asking for what is due to us, and we believe that our farmers in western Canada are entitled to more than they are getting. With the gravity of war now much accentuated, we believe that unless the interests of the farmer are taken care of and protected in every way, unless agriculture which we all know to be our basic industry in this country is assisted, if you like, the morale of our people, as the hon. leader of our group has said, may not be strong enough or of just the type to carry us through the war.

It has seemed to me that a number of members on the government side have frequently referred to the state of war as if to excuse themselves from carrying out their obligations towards the farmers and the workers. But I want to emphasize the point, that the government at this time should not in any way use war as an excuse for not granting to our farmers in western Canada what is due to them.

In closing, I simply wish to add that unless our farmers are looked after better than they have been for the past ten years, I do not know that their morale will be high enough to carry us through this strenuous time.

Mr. E. G. HANSELL (Macleod) Mr. Chairman, I have listened with a good deal of interest to the speech of the hon. member for Cape Breton South (Mr. Gillis). In his presentation of the situation in the coal mining area in his riding, there is reflected the situation that exists in almost every coal mining area in this country. I congratulate the hon. member upon his speech, and I am quite certain that the House of Commons will find him a valuable member in championing the cause of the workers of this country, particularly the coal miners. I should like to say a great deal about the coal miners and the coal mining industry of Canada, but I shall reserve my remarks until the estimates dealing with coal subventions are before the committee of supply. I am convinced that the coal miners' problem cannot be solved until we are able to sell the coal. An hon. member has stated that there is a great deal of coal available, and yet the mines are, as he termed it, folding up. At the same time we know that

in Canada people and industry need coal. That is the peculiar anomaly of the whole situation.

This resolution is the kind of resolution which is presented, apparently, every year. It takes in a good deal of territory. It proposes a measure "to provide assistance in the alleviation of unemployment and agricultural distress." It is also for the purpose of "supplementing the measures taken by the provinces towards providing assistance to those in need." Further, it is for "establishing unemployed persons in employment." I am not sure that I know what that means, but I am under the impression that it means the setting up of employment bureaux. That is a good thing, provided the employment is available.

Then the resolution continues, "and training and fitting suitable persons for productive occupations." I believe that is what is generally termed the youth training scheme. We are all happy to have in these days a scheme of that kind, but I sometimes wonder whether it is extensive enough. Many of our young men are taking this youth training, but it seems to me that they are trained in more or less elementary types of work in the various trades. For instance, a young chap interested in mechanics goes to the youth training quarters and there learns how to tear down the engine of a motor car and put it back again; he then tries to find a job in a garage. I suggest to the minister that he may discover in Canada a great need for technical and expert men. As regards pattern-makers, for instance, I was told the other day that the men who were trained in years gone by in this vocation are growing old, some of them passing out of the picture; yet, because we have been going through ten years of depression and distress, there are few men now qualified to take their places. I understand that the same circumstances apply to the tool-making trade. I suggest that it might be well for the minister to spend some time and thought on the provision of more extensive training of our young men than they now obtain under the youth training scheme.

After all, one wonders just how these young men fare after they have taken the youth training which is offered to them. I wonder if the experience of the rest of the country confirms such facts as I know of in my own constituency. Young men take the youth training scheme, remaining for three or four months during the winter, or whatever the length of the course is, and then go home, and, apart from knowing a little bit more about the subjects which they have been studying, they are but little better off and are unable to find jobs. Therefore I suggest that the basic need is something more than youth training. We in this corner of the house believe that the basic need is a proper adjustment of the present financial and economic arrangement of the country.

I do not think I will say anything more on this matter, except to ask the minister two questions. They are entirely distinct, and perhaps the minister can more readily answer them if I ask them one at a time.

Would the minister place on *Hansard* the amounts which have been granted under this act to the several provinces over the past five years?

Mr. McLARTY: I should be glad to place upon the table a statement of the advances made during the past five years. I believe that the act came into operation in 1936. At any rate, I shall be glad to place on the table a statement of advances from that time.

Mr. HANSELL: Would the minister care to place it on *Hansard?*

Mr. McLARTY: I am willing to place it either on *Hansard* or on the table of the house.

Mr. HANSELL: If it is placed on *Hansard,* people throughout the country will learn a little more about it.

My next question may seem to be a peculiar one, but I have thought quite a little about it. Is any record kept of the number of youths who have taken training under the youth training scheme and who have now enlisted in his majesty's forces?

Mr. McLARTY: The details in connection with the youth training movement are fairly complete. I would appreciate it if my hon. friend would allow me to reserve an answer to that question until I can get the information definitely, but I believe, subject to correction, that there are such figures.

Mr. HANSELL: If it would assist the minister, I could place the question on the order paper.

Mrs. D. W. NIELSEN (North Battleford): I was pleased this evening to hear the Minister of Labour (Mr. McLarty) say that he did not intend to cut short the debate upon this resolution. In my opinion the resolution is one of the most important which as yet has come before this house. All of us are aware that the people of Canada are watching carefully the deliberations which are going on here. I feel sure that they have watched and listened with great interest to what this government intends to do with regard to the prosecution of the war. But I should like to draw attention to this fact, that whatever happens in Europe, whatever happens with regard to our delibera-

tions in this chamber, throughout the length and breadth of Canada every single day, three times a day, thousands of people are faced with this one great question, "When do we eat, and how?"

In the past, with regard to its domestic policy in looking after the people of this country who through no fault of their own find themselves destitute and without employment, the government has not an enviable record. Whenever it was suggested that money should be provided to assist those who were unemployed or to alleviate farm distress in the west, this government has replied "Where is the money to come from? There is no money." Well, I would point out that, when a war crisis appears, $700,000,000 can be immediately found.

To many people in Canada the domestic crisis is one that looms as important in their minds as the war crisis. It affects the people of this country. It is vital to them, because the future of this country depends upon the welfare of its people. It is not so very long ago that we went through a great economic crisis. We found that the economic problem, the problem of unemployment, was not solved by this government. We had some of our best boys wandering from the east to the west, boys called vagrants. They were given very little assistance. We had farmers in the west facing a situation which was beyond them, and they were absolutely unable to cope with it. The province of Saskatchewan particularly was brought to bankruptcy and the people of Saskatchewan looked to the federal government for assistance. They were faced with the same question: Where is the money to come from? In the opinion of Doctor Weir, Minister of Health of British Columbia, the evidence available shows that at least a third, or more likely a half, of all our Canadian people are existing on incomes of less than $1,000 a year. When so many of our people are living on such an income, the question of health is going to be something which will be brought up before governments of the future as being a responsibility left over from these days. We are not attempting to do anything towards the solution of this problem.

The health of a nation depends upon two things. It depends upon the standard of living of its people and it depends upon adequate health services. This federal government has done nothing, as a federal matter, with regard to health services throughout the length and breadth of the country. The question of the standard of living of our people has also been sadly neglected. I believe that during the last war, during those four years of war, we Canadians lost 60,000 men. We have built a great memorial to them. They were soldiers who gave their lives in the great cause. Do hon. members realize that because of our lower standards of living, because of our lack of good health services, in the four years that followed 1931 we lost 70,000 more soldiers—little fellows this time, under a year old, struggling in the greatest battle of life? They lost out because this country did not equip them. These matters are a government responsibility. If we take into consideration also the mothers who gave their lives, we have in those four years a loss of 103,000 persons. Their names are not known. They are Canadian heroes who are "unwept, unhonoured and unsung"; and if this government does not accept its responsibility towards the people, I am afraid that in generations to come it is going to be held responsible for this serious situation.

Whatever else the common people lack, they have one great asset: The common people have common sense. And, thank goodness, they are beginning to use it. We know that, owing to this government's policy during these last few days, in the months to come the living conditions of the Canadian people are going to grow steadily worse. I have no hesitation whatever about saying that. I am sure that time will prove my statement correct. During these last few weeks we have appropriated $700,000,000 for the prosecution of the war, $750,000,000 for the payment of loans, and so on. This government, following the policy of the past, is raising this money by taxation and by borrowing. When the common people think of taxation, they think of what has been taxed in the past, and they realize that if this government taxes as it has always taxed, it will be the food, the clothing and the small pleasures of the common people which will be taxed, not the great wealth that lies in the hands of a few within this dominion. Therefore the living conditions of the people of Canada during the next few months are going to deteriorate.

We know also that, for the purpose of borrowing, this government will shackle generations yet unborn with a burden of debt which will be carried on to the future, and children not yet born will bear the debt of this war as we to-day are bearing the debt of the last war. The common people realize these things. It was interesting to me the other evening to see that a bill was brought forward for the appropriation of $100,000 to provide for the parks and open spaces of this city. Yesterday I received a letter from the northern part of Saskatchewan. It is also quite interesting. I should like to read it to

the committee. It was sent to a man who is living away up in the northern bush. It reads:

Dear Sir:

Due to the fact that the government is unable to obtain sufficient funds to finance the present cost of relief, I have received instructions that only the most needy cases are to receive assistance. You are therefore advised that no further relief will be given you and that from now on no assistance will be given you under any circumstances.

W. Schmidt,
District Inspector.

The man who received this letter writes to me as follows:

Enclosed find a letter which most of us on relief received this month in place of our order. Despite the fact that just now there is hardly any of us who have funds, we have been cut off. You know how it is up here. My case is soon explained. Last fall I threshed 290 bushels of wheat and 490 bushels of oats. I got 31 cents a bushel for my wheat. I had to pay $36 threshing bill, $14 for breaking, $13 for taxes and for some other expenses such as cutting twine and so on. For three months I received no relief. During last winter I had $5 a month relief for a family of five, three little children, three years, two years and one three months old. It looks as if that is the kind of payment we are getting for not voting liberal up here.

That is only one instance.

Mr. McLARTY: Would the hon. member be kind enough to let me have a copy of that letter?

Mrs. NIELSEN: I shall be most pleased to do so.

Mr. McLARTY: I shall see that the matter is investigated at once.

Mrs. NIELSEN: Thank you. The question which northern Saskatchewan is facing at the present time is perhaps one of the most serious it has had to consider for some years. As some hon. members know, it was the southern part of Saskatchewan that suffered from the drought at one time, a situation which was acute; but during the last few years it has become noticeable that the drought belt has been moving northwards. I received another letter which I might read:

We are facing another terribly dry year. We have not had a rain to wet the roof of the house since the snow went, as you likely know. There was enough moisture in the summer fallows from the snow to start the wheat, but it cannot live much longer if we don't get rain. The grass is burning fast and the gardens not starting at all. The same old story.

This was written on May 26. Hon. members can picture the plight of these people, cut off relief and facing a crop failure, as far as they can judge at the present time. What are their reactions to the deliberations of this house? They are expecting that this government will at least continue with relief as it has done in the past and provide some better sustenance for the people. I have recently received from Saskatchewan a letter which will give the committee as nearly as possible the relief situation:

The relief inspectors have during the month of May informed the councils that the municipalities will have to take care of the indigents who are residents of the municipality without any further assistance from the government. In the case of one of the municipalities, this has meant that whereas up until the end of May they received $570 per month as a direct relief grant, they will not receive any further grants after the first of June, and that of course means that the resident ratepayers will have to be taxed to meet the additional costs imposed upon them. With farm commodity prices at their present levels and with the burden of debt from which the farmers already suffer, the additional taxation will create a very difficult situation.

I suggest that this government make a serious and detailed study of the amount of assistance which is going to be needed by the farmers of the west during the coming years. I suggest that this government find the money for the people of this country who are in need of it, as they have found the money for the war crisis; for the domestic crisis in this country is of equal importance and perhaps of more far-reaching importance.

Mr. McLARTY: I understand that there are other matters which require consideration. Obviously we are by no means finished with this debate. Therefore I should like to move that the committee rise, report progress and ask leave to sit again.

Progress reported.

SOLDIER SETTLEMENT

DISPOSITION OF MINES AND MINERALS ACQUIRED WITH OR UNDERLYING LANDS

Hon. T. A. CRERAR (Minister of Mines and Resources) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce an amendment to the Soldier Settlement Act to authorize the director of soldier settlement, with the approval of the minister, to grant to the original soldier settler the mines and minerals acquired with the lands, and also to authorize the director to dispose of mines and minerals underlying land not under purchase contract by an original soldier settler.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

Mr. CRERAR: A few words of explanation of this resolution will be in order. There is a curious anomaly in the Soldier Settlement Act

of 1919 respecting the disposition of minerals that may be found in or under the land; I think that is the descriptive phrase which is usually employed. This applies chiefly to the three prairie provinces. These areas were under federal control entirely until the western provinces were set up. In the early days, when land was alienated from the crown, the first alienations paid no regard to the minerals. Later on, the precious metals were reserved by the crown; that is, the title to precious metals in or under the ground did not pass to the purchaser. Later still, that reservation was extended to all minerals. When the Soldier Settlement Act came into operation, lands for soldier settlers were acquired not only from crown granted lands but from lands held by private owners. In some instances the land purchased from private owners carried with it title to the minerals. In other instances the minerals were not transferred, being reserved by the private owner. The amendment proposed here seeks to make clear that where title to minerals was received through the acquisition of land for soldier settlers, it can be passed on to him now.

The question may reasonably be asked why it is necessary some twenty odd years after the passing of the original act to bring in a measure now to clear up this point. It is due mainly to the fact that in certain parts of Alberta oil has been discovered, and it is expected that, in the future, oil may be discovered in other areas where soldier settlers have acquired lands.

At the time of the passing of the original act, land or lands were defined as follows:

(i) "Land" or "lands" includes granted or ungranted, dominion, provincial or private lands, and real or immovable property—

Mr. HANSON (York-Sunbury): It covered the whole field.

Mr. CRERAR:

—messuages, lands, tenements and hereditaments of any tenure, and real rights, easements and servitudes, streams, water courses, waters, roads and ways, and all rights or interests in, or over, or arising out of, and all charges upon, land or lands as herein defined.

From a reading of this, I think it will be clear—I am so advised—that if a soldier settler came into possession of land from a private owner who under his title owned the minerals and was willing to pass that title on to the soldier settler, he was entitled to receive it. That is made clearer still, I think, if an examination is made of the discussion in parliament at the time the act was passed. It was not intended, and it never happened, where the soldier settler acquired land direct from the crown, that the minerals passed with it, because the general reservation that was put into effect years before, governed such alienation.

Curiously enough, section 57 of the Soldier Settlement Act, which section is now being repealed, reads:

From all sales and grants of land made by the board, all mines and minerals shall be and shall be deemed to have been reserved, whether or not the instrument of sale or grant so specifies, and as respects any contract or agreement made by it with respect to land it shall not be deemed to have thereby impliedly covenanted or agreed to grant, sell or convey any mines or minerals whatever.

The definition of lands I read a moment ago indicates the intention that the soldier settlement board should pass on to the soldier settler what it received from the purchaser from whom it bought the land. The section I have just read throws doubt upon the power of the board to do this, and it is to clear up that doubt that we ask the repeal of the section.

There is one other point to which I should like to draw the attention of the committee for a moment. The resolution states, in part:

. . . and also to authorize the director to dispose of mines and minerals underlying land not under purchase contract by an original soldier settler.

A good many instances have arisen where the soldier settler has passed out of the picture. That is, the land has come back to the director of soldier settlement. We are making it clear that in such case where the land reverted to the director of soldier settlement, and is again resold to a civilian, the mineral rights do not pass. In other words, the mineral rights pass only to the bona fide soldier settler who acquired them through the board by purchase from some private party at the time he made his selection. I hope I have made clear to the committee the purpose of the amendment.

Mr. HANSON (York-Sunbury): I am not sure that the minister has made himself clear to me, but that might be my fault and not that of the minister. In the older provinces I think the general rule has been that the mines and minerals in and under the earth have never passed with the original grants and the crown has always reserved those mines and minerals.

As I understand it, the minister is dealing with lands in the three prairie provinces which, at least in one category, were lands that were the property of the crown in the right of the Dominion of Canada. And in the case of soldiers who took up those lands the minerals lying in or under the lands were

expressly reserved to the crown. I understand those are not being affected by this proposed legislation.

Mr. CRERAR: Correct.

Mr. HANSON (York-Sunbury): The crown still retains the mineral wealth under the land, including oil. I suppose oil comes under that category. But in the case of lands purchased by the soldier settlement board from individuals who had already received grants from the crown in the right of the dominion, do I understand the minister to say that in such cases there were occasions where the mineral rights had passed to the person who sold to the board, and that those subsequently were reserved when they passed to the soldier settler? It is in respect of those cases the minister now wants to vest the mineral wealth in the original soldier settler. That is the way I understand the minister's explanation respecting the first part of the resolution. Am I correct?

Mr. CRERAR: I think that is correct.

Mr. HANSON (York-Sunbury): There are two categories with which I have dealt. All these lands were originally crown lands vested in his majesty in the right of the dominion. Was there ever a time in the history of the issue of these grants of land to the prairie provinces when the original grants did not reserve to the crown the mineral wealth?

Mr. CRERAR: Yes.

Mr. HANSON (York-Sunbury): Then that would explain the difficulty which has been in my mind.

Mr. CRERAR: I have my notes before me, and they seem to make that point clear. Until 1883 all mineral rights were granted.

Mr. HANSON (York-Sunbury): That explains it, of course.

Mr. CRERAR: Those who are familiar with the early railway history associated with the building of the Canadian Pacific railway will recall that there were considerable grants of land to that railway to assist it in the building of its transcontinental line.

Mr. HANSON (York-Sunbury): And the mineral wealth passed with those grants?

Mr. CRERAR: Yes; the mineral wealth passed with the grants prior to 1883. In the time between 1885 and 1887 only the precious minerals were reserved; in other words, coal and oil were not reserved. During that period, of course, lands passed to companies and to individuals who resold, and in those resales there were occasions when the owner reserved the mineral rights, while in other cases the mineral rights passed.

That brings us back to the amendment we propose here; where they did pass, and went along with the land, and such land was later acquired by the soldier settlement board for a soldier, we are attempting to make it clear beyond doubt that we can pass on to him all that we received when the land was purchased.

Mr. HANSON (York-Sunbury): What has given rise to this legislation? I suppose the minister will answer that the discovery of oil has been responsible.

Mr. CRERAR: That is one reason.

Mr. HANSON (York-Sunbury): Of course that would be a perfectly legitimate answer. But is there not something more than that? Have the soldiers applied for this change? How many applications are there? What is the value of what we are giving them? I would not want to deny a soldier anything; I want to be generous with the soldiers, but I should like to understand what we are doing.

Mr. CRERAR: As I recall, several instances have arisen where soldier settlers desired to dispose of mineral rights. They had thought they had the right to dispose of those rights. Certainly as I read the definition of the term "lands" in the Soldier Settlement Act—and I believe I am supported in this by the law officers of the crown—it was evidently intended that the mineral rights in such case should pass to them.

Mr. HANSON (York-Sunbury): I should think it would depend on the terms of the conveyance.

Mr. CRERAR: Possibly.

Mr. HANSON (York-Sunbury): I would think absolutely.

Mr. CRERAR: There is, however, a doubt in section 57 of the Soldier Settlement Act, where it is expressly stated that "from all sales and grants of land made by the board, all mines and minerals shall be and shall be deemed to have been reserved." According to opinions which have been given to me, there is a conflict between the two sections in the act, and it is now our intention to clear up that difficulty.

Mr. WRIGHT: What would happen to the mineral rights of an original soldier settler who sold his land to another soldier settler, through the operations of the board? Would those mineral rights revert to the crown, or would they go to the soldier settler in person? Where would the rights be?

Mr. CRERAR: If the soldier settler in the first instance acquired the mineral rights, then

they would pass on to the next soldier settler. That is the point we desire to make clear in the legislation.

Mr. WRIGHT: But in this instance they were crown lands, or school lands, in the original contract.

Mr. CRERAR: No, if the first soldier settler to whom the hon. member refers acquired his land direct from the crown, then the mineral rights were not conveyed with it and, of course, do not pass on to anyone else.

Mr. WRIGHT: They would still remain with the province?

Mr. CRERAR: Still remain in the crown.

Mr. COCKERAM: From what the minister has said, there are soldiers owning lands who think they also own the mineral rights. I take it that the government has been approached to purchase these mineral rights.

Mr. CRERAR: Does the hon. member mean "approached by the soldier settler?"

Mr. COCKERAM: No.

Mr. CRERAR: We want to make it clear that we can pass them on to the soldier settler.

Mr. COLDWELL: How many parcels of land will be affected by this legislation?

Mr. CRERAR: It is estimated that mineral rights were acquired with the land in about 1,200 cases where soldier settlers have repaid their loans. In all likelihood, in many instances there will be no minerals involved. For instance, a soldier settler in the Yorkton district of Saskatchewan would probably have no minerals in connection with his land. I cannot inform the committee the number of cases where mineral rights are known to exist.

Mr. SHAW: What percentage of those residing upon soldier settler lands are the original soldier settlers?

Mr. CRERAR: I cannot give that information now. As a matter of fact, it does not arise in connection with a discussion of this resolution. When the estimates of the soldier settlement board are being considered that information will be available to the hon. member.

Mr. GREEN: Is it the intention that there will be certain cases where the soldier settlement board will own the mineral rights, while the soldier settler or a civilian who may have bought out a soldier settler will own the land?

Mr. CRERAR: I should say offhand that if a soldier settler acquired mineral rights, paid for his land and then later sold the land to a civilian after having acquired title, he could reserve the mineral rights if he wished to do so. That would be a matter of contract between the two individuals.

Mr. GREEN: It hardly seems fair that the soldier settlement board should have title to the minerals, that they should not be passed on to the soldier settler or to whomever he may have sold his land.

Mr. CRERAR: The only case where mineral rights would be reserved would be where a soldier settler had acquired land with the mineral rights, later abandoned it and the land had come back into the hands of the board and then was resold to a civilian. In such a case the mineral rights would not go to the civilian.

Mr. ADAMSON: Would the original soldier settler have a right to the minerals on that land?

Mr. COLDWELL: If he had paid for the land.

Mr. CRERAR: I did not get that question.

Mr. ADAMSON: A case might arise in Cadillac township in Quebec where men might be settled after this war is over. They would receive the right to the minerals on the land from the crown.

Mr. HANSON (York-Sunbury): Not in Quebec.

Mr. CRERAR: If the land was acquired from some individual or company having mineral rights in the land, and they passed with the land, then we are providing that that shall pass to the soldier. This is assuming that he has paid for the land. If the land is purchased for him and he fails to pay for it; if he abandons it or it is sold to a civilian, we are providing that the mineral rights shall not pass to the civilian purchaser, but shall be reserved by the board.

Mr. GREEN: In the case of an original soldier settler who dies, will the mineral rights go to his heirs?

Mr. CRERAR: I assume the hon. member has in mind a case where a soldier settler had made all payments on his land and acquired title. I should think in that case the mineral rights would go to his estate.

Mr. HOMUTH: Is the minister sure on that? It is an important matter. If a soldier had obtained land by meeting his obligations, is the minister sure that these rights would go to his heirs in the event of his death?

Mr. CRERAR: I think they would as a matter of common law.

Mr. GREEN: This resolution states that you are taking power to grant to the original settler the mines and minerals acquired with the land. I want to know if you will also have power to grant those rights to his heirs if he has died in the meantime?

Mr. HANSON (York-Sunbury): Not unless it is in the statutes. I suggest to the minister that he look into that point.

Mr. CRERAR: I shall get some information upon that before we are in committee on the second reading.

Mr. COLDWELL: Suppose an original soldier settler sells his land; it passes to someone else, and he has no further interest in it; is the title to the minerals vested in the original soldier settler?

Mr. CRERAR: I would say that as a matter of common sense if a soldier settler acquired land that carried mineral rights, if he paid for his land and got title to it and then resold his land, he could either reserve the minerals or convey them to the purchaser.

Mr. HANSON (York-Sunbury): That is not quite the question.

Mr. COLDWELL: An original soldier settler meets all his obligations and obtains title to his land. He sells it to another party. Are the minerals conveyed to the original settler?

Mr. CRERAR: That is the answer I gave.

Mr. COLDWELL: The minister said he could either reserve or convey. Supposing there is no arrangement between the two parties; who will hold the mineral rights as time goes on?

Mr. CRERAR: He has acquired title to the mineral rights with the land. That is his property and he can make any disposition of it he wishes. If he wants to sell it to my hon. friend, he can say the minerals go with the land, or he can say the minerals do not go with the land. I would say that this would be a matter of choice for the soldier settler.

Mr. HANSON (York-Sunbury): This is intended to grant to the original soldier settler the mines and minerals acquired with the land. Is this intended to cover a case where he did not receive the mineral rights in the original grant? Is the soldier settler to be granted the mineral rights acquired with that land? I must confess it is beyond me.

Resolution reported, read the second time and concurred in. Mr. Crerar thereupon moved for leave to introduce Bill No. 31, to amend the Soldier Settlement Act.

Motion agreed to and bill read the first time.

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

377. Departmental administration, $106,080.

Mr. HANSON (York-Sunbury): Is this item to provide under the act for aid to Canadian coal for the manufacture of iron and steel?

Hon. JAMES A. MacKINNON (Minister of Trade and Commerce): The next item deals with that. The item before the committee is for departmental administration.

Mr. HANSON (York-Sunbury): Under the item it says:

> An act to place Canadian coal used in the manufacture of iron or steel on a basis of equality with imported coal.

That is part of the next item, is it?

Mr. MacKINNON (Edmonton West): Yes.

Mr. HANSON (York-Sunbury): Then I would say that that paragraph is misplaced in these estimates. Would the minister explain the item before the committee, which shows a salary increase?

Mr. MARSHALL: There are two sets of figures I should like to get from the minister, the amount appropriated for the fiscal year ending March 31, 1939, and the amount spent, and the same figures for the fiscal year ended March 31, 1940.

Mr. CHURCH: What has the minister done with the findings of the Tory commission on coal? I should also like to know what the government is doing about a national coal supply for Canada. The report of the Tory commission never mentioned the consumer of coal at all.

Mr. CRERAR: This item, No. 377, deals only with departmental administration. My hon. friend's remarks would come under the next item.

Mr. HANSON (York-Sunbury): The hon. member for Broadview (Mr. Church) has evidently fallen into the same error that I did. We must blame it on the printer because certainly the reference to coal should be placed under item 378.

I observe from the details on page 194 of the main estimates that the amount asked for this year for departmental administration is slightly less than last year's vote, and the number of employees is one more. Perhaps the minister would give the necessary explanation for the difference in each case. I should like to say to him that in my experience I found this a very well run department. He has a fine staff. I am sure they will be loyal

to the present minister, and he will be well advised to be guided to a great degree by the heads of the different branches, because from my experience I am sure they will not lead him astray. During the term I presided over this department I saw in it less of political interference and that sort of thing than in any other department with which I had anything to do, although I never administered any other department. The Department of Trade and Commerce was remarkably free from partisanship, and I want to give that certificate of character to the officers in that department.

Before the minister explains the slight differences from last year's vote, might I suggest to him what I suggested to his colleagues this afternoon, that having regard to conditions in Europe and the consequent restriction of our commercial intelligence service, when vacancies occur they be not filled for the duration of the war unless they are for absolutely key men who must be taken on. Let us in that way save a dollar and earn our own salaries.

Mr. MacKINNON (Edmonton West) : I was glad to hear the leader of the opposition (Mr. Hanson) make such complimentary remarks about the officials of the department over which I have the honour to preside at the moment. In my own very short experience I have found the officials living up to the reputation which the hon. gentleman has given them.

To come to the item itself, the salaries for departmental administration last year amounted to $67,170, and this year, $68,520.

Mr. HANSON (York-Sunbury): There is one additional stenographer. Does that account for the increase?

Mr. MacKINNON (Edmonton West): Yes, there has been an increase of one in the number of stenographers.

Mr. MacNICOL: Should not the staff be more or less reduced in view of the fact that we cannot deal at all now with many countries where we formerly had trade commissioners? Work in the main office would be greatly reduced too, so instead of the staff being increased, I imagine it should be reduced.

Mr. HANSON (York-Sunbury): What is the policy of the department with respect to salaries of trade commissioners who have enlisted? I have in mind a gentleman who was in Glasgow, attached to the trade commissioner's office there as junior trade commissioner. He was home on furlough, and immediately war broke out he offered his services, and is now commanding a battery. Either he has proceeded overseas or he is about to proceed overseas. How is that young man being treated in the matter of salary? What is the policy as to paying salaries of civil servants who have enlisted and have gone or are going overseas in the Canadian active service force?

Mr. MacKINNON (Edmonton West): I have not discussed that matter either in council or with the officials of the department. At the present time the situation confronting our trade commissioners is grave. Many of them were in countries of northern Europe which have recently been overrun. Their work has ceased because they have had to leave the cities and the countries where they were located. The whole matter is under consideration by the department.

Mr. HANSON (York-Sunbury): Of course they ought to be withdrawn, brought home and given some useful work in some other sphere of activity in the government service. This question of the treatment of civil servants who have enlisted and become a part of the Canadian active service force is an important one. These men must be treated fairly; they have shown great loyalty, and I for one would be prepared to be generous. I hope the minister feels the same way about the matter. I think we should have some definite statement of policy on the part of the government, because I have no doubt that many such cases will arise. Of course a policy should have been established long ago. I am just a little astonished that the minister has not met this question before. All the big companies in this country have had to deal with this question, and they have laid down policies which, with respect to permanent men, if I may so term them, have been generous. Men who are temporary employees fall of course into another category; but these officials were appointed by the civil service commission after a rigid examination; they needed a high standing before they could make the grade to become trade commissioners, and all of them have family responsibilities. I hope the minister will treat them generously, and that, when his estimates come up again for consideration, he will be able to tell us just what is being done in cases of this kind.

Mr. MacKINNON (Edmonton West): I should be glad to do that. It might be dealt with under the item relating to trade commissioners.

Mr. HANSON (York-Sunbury): It is understood that we can then discuss this matter?

Mr. MacKINNON (Edmonton West): Yes.

Mr. ROSS (St. Paul's): Does the minister care to give any statement with respect to

the policy of the Department of Trade and Commerce? Markets have been lost in several countries of Europe, and we shall have to work pretty hard to make up for those losses. It is important that we maintain our trade balance. It might be interesting under this item to have some statement of policy, because I do not know when we shall have an opportunity of again discussing the subject.

Mr. MacKINNON (Edmonton West): I think there will be ample opportunity under later items for the hon. member for St. Paul's to speak particularly on that matter.

Mr. ROSS (St. Paul's): This relates to administration, and it seems to me that the question of policy in the department could quite properly be dealt with by the minister under this item. It would perhaps facilitate the discussion of other items if we had some idea of what the policy was to be along the lines which I have just mentioned. I do not think that is too much to ask. I know that all hon. members are interested.

Mr. MacKINNON (Edmonton West): At the present time it will obviously and necessarily be the duty of the department to seek in every place new avenues of trade. Nobody knows better than the hon. member for St. Paul's the state of the world at present and the fact that our markets in many countries are contracted and contracting very sharply. I am quite aware that this condition necessitates as far as possible finding new markets on this continent and elsewhere. The matter has been discussed in the department, and every effort will be made to increase our trade so as to compensate us for what has been lost.

Mr. PERLEY: I believe it has usually been the custom on this first item for the minister to state under what item we shall have an opportunity of discussing the question of marketing generally, and particularly pertaining to grain. According to the wording of the item I do not find that there is any item under which that question can properly be taken up. I believe in previous years it was the custom of the minister to state, upon the item we are now discussing, under what item we should have an opportunity of a general discussion on marketing.

Mr. MacKINNON (Edmonton West): I anticipated that the hon. member for Qu'Appelle and other hon. members would have an opportunity for discussing this matter under the item relating to the board of grain commissioners, or dealing with the Canada Grain Act.

Mr. ROSS (St. Paul's): There are other matters besides grain to be discussed. The Minister of Fisheries (Mr. Michaud) smiles: probably fish will enter into the discussion. There is a matter of importance which concerns not only rural Ontario but the urban population as well. The minister knows that a prohibition has been put upon the export of canned tomatoes to Great Britain. That is going to affect a great many people. Certain other items are also affected. What are the possibilities of marketing, not only canned tomatoes, but peaches? It seems to me that it is only right that the growers of these various articles should know something about their position. I have no doubt that the canners are advising the growers at the present time with respect to tomatoes. I know that has been done in some directions; but I think it should be generally known, or before long we shall have a big crop of tomatoes from Ontario and no place to sell them. There are other problems, for instance the export of apples. We should have some general idea of the possibilities of marketing and what action the government are taking, what real efforts they are putting forward to replace the markets which we have lost and other markets which probably we shall lose.

I do not criticize the amount of these estimates. I know the department is efficient, and possibly it might be important under conditions prevailing to-day to have a larger appropriation so that a real effort could be made to establish other markets for the things of which I have spoken. I suggest it would be well for the minister to give the committee a general idea of the policy which the government have formulated with respect to these matters at the present time.

Mr. MacKINNON (Edmonton West): At the present moment the department is dealing not with a theory but with an actual fact, the fact of disappearing markets. Restrictions are being raised against imports from Canada in nearly all our sister dominions and in other parts of the world, and all I can say is that the department is fully aware of the situation and is taking every step possible in the meantime to urge that the restrictions be relaxed. We are doing this through our trade commissioners in the sister dominions and through the high commissioner in London as well as in other ways.

Mr. HANSON (York-Sunbury): The minister is new to the department and I appreciate the circumstances under which he is labouring. The withdrawal of these markets must be a staggering blow to the department, and a great embarrassment. Perhaps this discussion will serve as a notice to the minister that at a later date we shall expect from him a statement of policy as to what is going to be done to replace the disappearing markets.

May I advert to a matter that is nearly five years old. Prior to leaving the department I had it in mind that in the then succeeding

estimates there would be an appropriation looking to the extension of markets for potatoes from the martime provinces in South America and in Central America. Unfortunately we were defeated and the then government went out of office. In New Brunswick the provincial minister of agriculture is a trained agriculturist; there is no one who is more familiar with the necessity of extending our markets for the one big agricultural product of New Brunswick, namely, potatoes. I told him, in a conference which he was good enough to hold with me, exactly what I had in mind, namely, that I would ask parliament to grant the sum of $25,000 for the extension of markets for these products of the maritimes, fish and potatoes, in the southern countries, and that I felt certain that if they would make the necessary representations to the incoming minister, who was well known to me, he would cooperate with the provincial government in that regard. I even went to the trouble of dictating and signing a letter to the minister's immediate predecessor, which he was to take to Ottawa and which he could use. I assume that he used it. I never heard anything more about it afterwards, because I went away for the winter. The letter asked the government to cooperate with the provincial department with a view to extending markets for New Brunswick potatoes and fish. If I remember rightly, the minister told me subsequently that he had an interview with the then Minister of Trade and Commerce but that there was no result. That was a great pity. It was not for the benefit of New Brunswick alone; it was for the three maritime provinces; and the intention was that the government of Canada should assist the government of New Brunswick and the governments of the other maritime provinces, if they came into the scheme, in extending markets for these two staple products of the maritimes.

The government of New Brunswick went on with the scheme in a limited way. They have had a man, whom we had in the provincial government prior to 1935, visiting South America annually, and he has been a good salesman, having been instrumental in getting very substantial orders. But the whole situation has not been thoroughly surveyed, and I would ask the minister to be good enough to look into it again. Perhaps in the supplementary estimates he can do something. The Minister of Fisheries (Mr. Michaud) knows what I am talking about, and I am astonished that he has not done anything in the five years that he has been in office. I am not finding fault with him, because he has not done much about anything.

[Mr. R. B. Hanson.]

Mr. MICHAUD: The hon. member must have been sleeping in the last five years.

Mr. HANSON (York-Sunbury): No: I have been watching. I know he has been drawing salary, but that is about all. I am suggesting to the present Minister of Trade and Commerce that he look sympathetically into this question of extending markets for the two primary products of the maritime provinces, and that he give warm and sympathetic cooperation to the departments of agriculture in the provinces of New Brunswick, Prince Edward Island and Nova Scotia, with a view to extending our markets, particularly for seed potatoes, in the southern republics of Central America and in the West Indies—and I particularly commend the market in Cuba. I understand that the Canada-West Indies trade treaty is presently up for consideration and review. I appreciate the difficulties the minister may run into in trying to extend the market for our potatoes in Cuba, having regard to the obligations which we have incurred under the treaty in question with respect to the preference for sugar in our markets. The matter is a difficult one, but I suggest to the minister that the Cuban market for potatoes in any normal time is better than all the rest of those markets put together. I hope he will give consideration to the plea I now make for cooperation between his department and the province of New Brunswick with respect to this outlet for these two staple commodities. New Brunswick has not the money available to make any lavish expenditures in extending markets, and I think this government ought to do something about the matter. They will be entitled to all the commendation, all the laurels coming to them, if they can accomplish something in this direction.

Mr. CRERAR: We are anxious to get another department in to-night; therefore, I should like this item to stand.

Item stands.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

Health branch—

237. Health branch administration, $43,000.

Mr. HANSON (York-Sunbury): It is pretty late; we have had a long day and it is quite warm. I think the minister's purpose will be served if he gets in and gets right out.

Item stands.

Progress reported.

On motion of Mr. Crerar the house adjourned at 10.55 p.m.

Wednesday, June 5, 1940

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANADIAN NATIONAL RAILWAYS—MONTREAL TERMINAL

Mr. CHURCH:

1. Will work on the new Canadian National Railways terminal at Montreal be discontinued?
2. What has been spent to date on this work for land and construction, and what work has already been done?
3. What work remains to be done, and at what estimated cost?
4. Will all reports and other data be tabled for the information of the house?

Mr. HOWE:

1. Government policy will be announced in due course.

2. In accordance with the provisions of the Montreal Terminals Act, chapter 12, 1929, report has been tabled showing expenditures made and work done to December 31, 1939.

3. Construction of certain sub-track space, station facilities, streets and bridges, portions of viaduct, elevated railway and grade separation, between station area at Dorchester street and Victoria bridge, and works in Point St. Charles, as well as signalling, interlocking and electrification. Estimated cost to complete, above present contracts, $5,950,000.

4. Yes, in accordance with the provisions of the Montreal Terminals Act, chapter 12, 1929.

Mr. BRUCE:

1. What contracts have been let since January 1, 1940, by Canadian National Railways for work directly, or indirectly, connected with the construction of the terminal on Dorchester street, Montreal, and the rearrangement of the terminal facilities in the Montreal area?
2. What are the names of the individuals, or firms, to which each of these contracts have been let?
3. What is the contract price for each contract?

Mr. HOWE:

1. Name of contractor; type of work.

Angus Robertson Limited; excavation.

Duranceau & Duranceau; construction of third stage of track structure—reinforced concrete.

The Kennedy Construction Co.; viaduct, Smith-Brennan streets. Superstructure, reinforced concrete.

Dominion Bridge Co. Ltd.; Lachine canal bridge—fabrication, delivery and erection of steel. Superstructure—new vertical two-track lift bridge.

Dominion Bridge Co. Ltd.; Dorchester street station—structural steel framework fabrication, delivery and erection.

2. See answer to No. 1.

3. It is not the policy of the management to disclose contract prices. Tenders were invited in each case, and contract awarded to the lowest tenderer. All such matters may be discussed before the select standing committee on railways and shipping.

CANADIAN NATIONAL RAILWAYS—GUARANTEED BONDS OR DEBENTURES

Mr. MARSHALL:

1. Have the guaranteed debentures or bonds on the following lines of railway of the Canadian National Railway in the province of Alberta, which matured on the 25th February, 1939, been retired and cancelled, namely: Alsask to Munson junction, 132.33; Calgary to Munson to Camrose to Bretona, 249.21; Vegreville to Haight junction, 21.59; Demay junction to Camrose junction, 24.93; Morinville to Athabasca, 72.06; Wye to Vegreville, 0.47; Tofield to Barlee junction, 23.39; Mile 57.70 Camrose sub. near Duhamel to Calgary, 166.77?

2. If such securities, the date of maturity of which was February 25, 1939, have not been retired and cancelled, what is the situation at present in connection with the said securities?

Mr. HOWE: Provision was made to pay at maturity the holders of £500,000 ($2,430,000) Grand Trunk Pacific Branch Lines Company 4 per cent first mortgage sterling bonds due February 25, 1939, (Alberta lines) guaranteed by the province of Alberta and £1,147,945 ($5,586,665.64) Canadian Northern Railway Company 4 per cent first mortgage guaranteed debenture stock due February 25, 1939, guaranteed by the province of Alberta. These two issues were secured by the lines of railway specified in question No. 1.

The bonds and debenture stock are held uncancelled to the order of the Canadian National Railway Company.

WAR VETERANS BATTALION

Mr. CHURCH:

1. Will the Minister of National Defence give consideration to the formation of a battalion for the second or third division to be manned and officered entirely by veterans of the great war from coast to coast, to include, where available, veterans from every city, town, village and township in Canada?

2. Would the minister kindly request a survey on this, and later give the house information?

Mr. ROGERS: The approved government policy is that so long as N.P.A.M. units are available these are to be used as the basis for the formation of C.A.S.F. units.

Veterans will now have the following opportunities for service, which in my opinion will absorb the bulk of those who are suitable for

military service: (a) With mobilized and unmobilized units, depots, and training centres, provided they can comply with the physical and age requirements. (b) With veterans' home guard companies. (c) Various appointments for officers and other ranks at national defence headquarters and headquarters of districts as a result of the general expansion of our war effort.

In the circumstances, it is felt that a unit such as is suggested should not be authorized at this time.

*CANADA-WEST INDIES TREATY

Mr. HATFIELD:

1. When does the government intend making a revision of the Canada-West Indies treaty?

2. If so, when, and will the government take into consideration the loss of our market for fish and potatoes in Cuba, and endeavour to have these markets available to producers of these products in the maritime provinces?

Mr. MACKENZIE KING: An answer to this question would involve a statement of government policy. The government's policy with respect to the matter referred to will be made known in due course and not in answer to a question.

UNSOLD PORTIONS OF 1938 AND 1939 WHEAT CROPS

Mr. DIEFENBAKER:

1. How many bushels of wheat crops for each of the years 1938 and 1939 remained unsold?

2. How many bushels of the crops of each of the said years are to-day (a) in storage in Canada, (b) in storage in the United States of America?

3. What amounts have been paid or are payable for wheat stored in the United States of America for each of the months from August, 1939, to May, 1940, inclusive?

Mr. MacKINNON (Edmonton West):

1. It is not possible to give the percentage of the 1939 wheat crop that has been sold partly because it is merged with the carryover of old crop wheat at July 31, 1939, and also because the regularly published statistics relate to export shipments rather than to sales. The carryover of Canadian wheat in Canada and the United States at July 31, 1939, was 102,161,568 bushels and the 1939 crop was 489,623,000 bushels, making total supplies of 591,784,568 bushels. From this figure must be deducted the estimated domestic requirements for the 1939-40 crop year of 128,000,000 bushels, leaving 463,784,568 bushels for export during the crop year or carryover at July 31, 1940. The export shipments of wheat and wheat flour from August 1, 1939, to May 25, 1940, were 164,545,988 bushels, leaving a balance of 299,238,580 bushels for export or carryover on May 25, 1940.

[Mr. Rogers.]

2. (a) Canadian wheat in store in Canada on May 24, 1940, 261,663,967 bushels (b) Canadian wheat in store in the United States on May 24, 1940, 20,577,807 bushels. Amounts of 1938 and 1939 crops in store are not compiled separately.

3. No wheat owned by the Canadian wheat board is stored in the United States.

INTERNMENTS IN SASKATCHEWAN

Mr. DIEFENBAKER:

1. Of the 47 internees released between January 25, 1940, and March 26, 1940, how many were resident of or domiciled in Saskatchewan?

2. How many alien enemies domiciled or resident in the province of Saskatchewan have been released from internment from September 15, 1939, to date?

Mr. LAPOINTE (Quebec East):

1. 15.

2. 30.

MUNITIONS AND SUPPLY—TANKS

Mr. COCKERAM:

1. Does the item, File No. K-3756, appearing at page 144 of the record of contracts awarded by the War Supply Board refer to the requisition mentioned by the Minister of Munitions and Supply on May 28, 1940, *Hansard*, page 327?

2. If so, is there a discrepancy in date, and for what reason?

3. Are these plans still on file in the Department of Munitions and Supply?

4. If they do not refer to the same plans, why has no action been taken to manufacture tanks in accordance with the specifications, File No. K-3756?

Mr. HOWE:

1. No.

2 and 3. Answered by No. 1.

4. Answered by the minister, on page 300 of *Hansard*.

Mr. BRUCE:

Have there been any discussions between the British government and the Canadian government in respect to manufacture of tanks by Canada?

Mr. HOWE: Answered by the minister, on pages 300 and 128 of *Hansard*.

BUFFALO NATIONAL PARK

Mr. FAIR:

Is the government in a position to give an outline as to the future use of the Buffalo national park at Wainwright?

Mr. CRERAR: Buffalo national park was transferred to the Department of National Defence for the duration of the war to be used for military purposes.

MUNITIONS AND SUPPLY—DEPARTMENTAL EXECUTIVE COMMITTEE

Mr. MacINNIS:

1. Who are the present members of the executive committee of the dominion Department of Munitions and Supply?

2. What positions did they hold prior to their appointment to the munitions and supply board?

3. What remuneration does each receive: (a) salary, (b) living allowance?

Mr. HOWE:

1. W. C. Woodward, Lt.-Col. W. A. Harrison, R. A. C. Henry, Henry Borden, K.C., Hon. Gordon W. Scott, C. A., and E. P. Taylor.

2. W. C. Woodward, president of Woodwards Stores Limited, Vancouver and Edmonton; Lt.-Col. W. A. Harrison, managing director of T. H. Estabrooks Limited, Saint John, N.B.; R. A. C. Henry, general manager of Beauharnois Power Corporation; Henry Borden, K.C., barrister, senior partner of Borden, Elliott, Sankey & Kelly, Toronto; Hon. Gordon W. Scott, C.A., partner of P. S. Ross and Sons, accountants of Montreal; E. P. Taylor, president of Canadian Breweries Limited, Toronto.

3. (a) and (b):

W. C. Woodward: No salary; he pays his own expenses.

Lt.-Col. W. A. Harrison: No salary; receives his actual out-of-pocket expenses.

R. A. C. Henry: No salary; receives actual out-of-pocket expenses.

Henry Borden, K.C.: No salary; receives actual out-of-pocket expenses.

Hon. Gordon W. Scott, C.A.: No salary; receives actual out-of-pocket expenses.

E. P. Taylor: No Salary, pays his own expenses.

MUNITIONS AND SUPPLY—TRUCK AND CAR RENTALS

Mr. BLACKMORE:

1. Are trucks and cars sometimes rented by the dominion government for the training of soldiers?

2. If so, what is the price paid for the use of such cars and trucks?

3. Is the privilege of supplying such cars and trucks awarded as a result of tenders received?

Mr. ROGERS:

1. Yes.

2. The regulations provided that the following rates must not be exceeded: Motor cycles, solo, $3 per day; motor cycles, with side cars, $5 per day, motor trucks, $10 per day; motor cars carrying up to three persons, $8 per day; motor cars carrying four or more persons, $10 per day.

3. In some cases, tenders have been called by the Department of Munitions and Supply for the hiring of transport in the districts requiring the same. However, district officers commanding have been authorized by national defence headquarters to hire transport as and when required in cases of emergency, and the calling of tenders is left to their discretion, dependent upon the urgency of the situation.

COLONEL HARRISON

Mr. BRUCE:

1. Did Colonel Harrison make a visit to England during March of this year?

2. If so, what was the purpose of the visit?

3. Did Colonel Harrison make a report to the minister of the result of this visit?

Mr. HOWE:

1. Yes.

2. It is not considered in the public interest to disclose the purpose of this visit.

3. Yes.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXPORTS OF WAR MATERIALS—IMPORTS OF COAL

Mr. CHURCH:

1. What was the tonnage and value of pig iron, scrap iron and copper exported by Canada to Germany, Russia, Japan and Italy, for each of the years 1935 to 1939?

2. How many tons of coal of all kinds were imported into Canada from Germany and Russia respectively, annually from 1934 to the end of 1939?

Mr. HOWE: Return tabled.

FIRST DIVISION—TANK AND MECHANIZED CAVALRY REGIMENTS

Mr. COCKERAM:

1. Were two tank regiments and one mechanized cavalry regiment mobilized in September, 1939, as part of the 1st Division, C.A.S.F.?

2. What training has been received by these units, and with what equipment have they been trained?

3. What has it cost to maintain these troops since mobilization?

Mr. ROGERS: Return tabled.

NATIONAL DEFENCE—DOLLAR A YEAR MEN

Mr. HATFIELD:

1. How many one dollar year men are now connected with federal government departments, including the Department of National Defence?

2. What living allowance is each of these men receiving?

3. What was the address and former occupation of said men before entering the service?

REGINA AIRPORT

Mr. DIEFENBAKER:

1. Have tenders been advertised for during the past four months in connection with the construction of or delivery of supplies of any kind for the airport at the city of Regina?

2. If so, when?

3. What date was stipulated therein for the opening of the tenders or the award of the contract or contracts?

4. What were the particulars of the requirements for which tenders would be received?

5. Were any tenders received? If so, what are the particulars of each of said tenders?

6. Were the said tenders duly opened on the stipulated date?

7. Was a contract or were contracts awarded on the basis of said tenders, and, if so, when?

8. Was there any delay in the awarding of contracts?

9. If so, what is the explanation for the delay?

10. Have any contracts been awarded for the construction of said airport, or any work in connection therewith, or for the delivery of supplies therefor, and, if so, what are the particulars thereof?

MOTIONS FOR PAPERS

SURVEY OF ENGINEERING SHOPS IN CANADA

Mr. BRUCE:

For a return of the survey made by Lieutenant-Colonel Ogilvy, of the Department of National Defence, relating to the engineering, machine and metal-working shops of Canada, in which was set out the capacity of these shops which are now being used for munitions, as well as their maximum capacity.

Mr. HOWE: Mr. Speaker, I have already pointed out to the house the impossibility of bringing down the information desired because of its volume, and since no supplementary question has been asked I ask that this motion be now dropped.

Motion dropped.

NATIONAL DEFENCE—MANUFACTURE OF TANKS IN CANADA

Mr. STIRLING:

For a copy of all correspondence, cables, telegrams, memoranda, notes of telephone conversations, and any other papers or documents passing between this government and his majesty's government in the United Kingdom and/or any agent or authorized representative of either government, and between this government and persons or corporations, relating to the manufacture of tanks in Canada since January 1, 1938.

Mr. HOWE: Stand. A search is being made for the relevant documents, but I have not received the documents themselves.

[Mr. Hatfield.]

BUSINESS OF THE HOUSE

RELEASES FROM INTERNMENT CAMPS—REFERENCE TO MOTION OF MR. CASTLEDEN FOR PRODUCTION OF PAPERS ON JUNE 3

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, before this order of business is passed might I call the attention of the Minister of Justice (Mr. Lapointe) to a motion of the hon. member for Yorkton (Mr. Castleden):

For a return showing a list of all persons released in 1939-40 from internment camps in the provinces of Manitoba, Saskatchewan, Alberta, and Ontario, together with the dates of release and reasons therefor.

The motion appears at page 438 of *Hansard* of June 3, 1940. The minister on that occasion, after some interchange between him and myself, undertook that this motion should stand with the amendment I suggested. I find that it does not appear in the orders of the day for June 4, having been dropped from the order paper; neither does it appear among the motions for production of papers on to-day's order paper. It does seem to me that some explanation is due from the minister. The motion should be restored to its proper place.

Right Hon. ERNEST LAPOINTE (Minister of Justice): My attention was drawn to this matter by the hon. member for Yorkton. I have no objection to the motion being reinserted, but I must say I would have objection to its being carried. Perhaps it would be better to wait until the motion comes up.

Mr. HANSON (York-Sunbury): With the amendment suggested.

Mr. LAPOINTE (Quebec East): Even with the amendment. I discussed this matter with the officers who have charge of this matter and we have come to the conclusion that it is not fair to the individuals who may have been interned on mere suspicion and subsequently released after investigation that their names should be published all over Canada and they become branded in their own community as suspicious characters. Some people were interned purely as a precautionary measure merely on a report from somebody, and the police themselves did not insist on these people being kept in custody if there was nothing against them. We believe that it is not fair to give out the names of these people. However, I am willing to consider the matter again.

NATIONAL DEFENCE

STATEMENT RESPECTING MOTION FOR COMMITTEE TO CONSIDER AND REVIEW DEFENCE OF CANADA REGULATIONS

On the order for government notices of motion:

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend the leader of the opposition (Mr. Hanson) asked me yesterday just when the government would take up the motion that appears in my name respecting the defence of Canada regulations. If it would suit the convenience of hon. members I would introduce the motion on Monday next.

May I say that the word I wished to have with my hon. friend about the motion was this. The motion is for the appointment of a committee to consider the defence of Canada regulations. At and prior to the time the motion was drafted the government was being criticized for having gone too far in its regulations. Since however the motion was placed on the order paper most of the criticism has been the other way, namely, that the regulations do not go far enough. In the circumstances I should like to amend the resolution before presenting it to the house so that it will cover the broad question of whether the regulations go too far or not far enough. With that in mind I will have the resolution appear in revised form on the order paper for Monday. The debate will take place on the motion as thus revised on Monday next.

Hon. R. B. HANSON (Leader of the Opposition): The regulations are printed and available, are they not?

Mr. MACKENZIE KING: Oh, yes, they were printed at the time they were passed.

Mr. STIRLING: Have they been distributed in one volume, or have we received them from time to time over the months?

Mr. MACKENZIE KING: My recollection is that they were distributed at the last session of the last parliament in the form of a red book, and further copies have been distributed since.

Mr. CHURCH: Will the committee also deal with the motion I have made?

Mr. MACKENZIE KING: Yes. What my hon. friend wished to have investigated will come within the scope of the revised motion.

AMENDMENT OF DEFENCE OF CANADA REGULATIONS DECLARING CERTAIN ORGANIZATIONS ILLEGAL

On the orders of the day:

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I desire to lay on the table of the house copy of order in council amending the defence of Canada regulations by adding a section which I consider very important. It declares illegal certain associations, societies, groups or organizations in Canada. Perhaps I might read the list:

The Auslands Organization of the National Sozialistische Deutsche Arbeiterpartei.
The Deutsche Arbeitsfront.
The Canadian Society for German Culture (Deutscher Bund fur Kanada).
The National Unity Party.
Canadian Union of Fascists.
The Communist Party of Canada.
The Young Communist League of Canada.
The Canadian Labour Defence League.
The League for Peace and Democracy.
The Ukrainian Labour Farmer Temple Association.
The Finnish Organization of Canada.
The Russian Workers and Farmers Club.
The Croatian Cultural Association.
The Hungarian Workers Club.
The Polish People's Association.
The Canadian Ukrainian Youth Federation.

This order will be published in the *Canada Gazette* and from the date of its publication any person who is a member of any of these organizations will be guilty of an offence.

PROTECTION OF PROPERTY IN NIAGARA PENINSULA—FACILITIES FOR ENLISTMENT

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): Mr. Speaker, I gave previous notice of these questions to the government, or to the Minister of National Defence (Mr. Rogers) as he was primarily concerned. I assume I may be permitted just to explain that these questions arise as a consequence of letters and telegrams which I am receiving continually.

1. Will the present military guard, only recently established at the hydro power plant at Queenston, be maintained on all power plants in the Niagara peninsula?

2. Will authority be given the Royal Canadian Mounted Police to increase substantially the present guard on the Welland ship canal?

3. What steps are being taken to concentrate and control the distribution of large quantities of explosives being shipped into the Niagara peninsula?

4. What precautionary measures have been taken to check all persons and cars, entering the Niagara peninsula from the United States, at the four or more entry points in that area?

5. Are main line railway and other important bridges being guarded in the Niagara peninsula?

6. To what extent are, or will, qualified war veterans be utilized or permitted to implement the protective units in the Niagara peninsula?

7. What facilities are being provided in the Niagara peninsula for enlistment and when will these facilities be provided?

I would appreciate having this information so that I can reply to numerous inquiries.

Hon. NORMAN McL. ROGERS (Minister of National Defence): As some of these questions refer to measures which may be taken by the Department of National Defence, may I suggest to my hon. friend that he place his questions on the order paper? I have certainly not received from him any such questions as all of these which he has presented this afternoon. My hon. friend did discuss the protection of the Niagara peninsula and the Welland canal, and, as he is aware, I took measures at once to deal with that situation and have it studied. As a matter of fact the district officer commanding that district is making the necessary recommendations in that regard.

As far as the other questions are concerned, they affect a number of departments, and I suggest they should be placed upon the order paper.

Mr. LOCKHART: May I be permitted to supplement what I have said? In answer to the Minister of National Defence—

Mr. SPEAKER: The hon. member would be out of order. He has asked his questions and the minister has replied.

Mr. LOCKHART: Thank you very much.

WAR REFUGEES

INQUIRY RESPECTING APPEAL OF RED CROSS FOR BLANKETS

On the orders of the day:

Mr. KARL HOMUTH (Waterloo South): I should like to direct a question to the Minister of Munitions and Supply (Mr. Howe) or to the Minister of National Defence (Mr. Rogers). A few days ago a nation-wide call went out through the whole country for blankets. It was generally presumed that they were for the Red Cross. I have had some correspondence and some calls with regard to this appeal which indicate that the blankets are not for the Red Cross but for refugees, soldiers and hospital patients. A great many patriotic people and organizations got busy and went out and purchased a lot of blankets and paid the retail price for them. If the facts are as I understand them, it is the government's responsibility to supply these blankets. The people are really paying too much for them. I would ask the Minister of Munitions and Supply or the Minister of National Defence to clear this matter up.

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I happen to have some knowledge of the matter, quite by accident, because my wife is associated with Red Cross work. An appeal was sent out by the Red Cross for blankets for refugees either in France or elsewhere on the continent, and neither the war supply board nor the Department of National Defence nor any department of government had any part in the matter at all.

CANADIANS IN ENGLAND

QUESTION AS TO STATUS WITH RESPECT TO ENLISTMENT

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the Minister of National Defence (Mr. Rogers) a question, based upon a cable dispatch in the Canadian press of yesterday. Can Canadians who were domiciled in England at the outbreak of war enlist over there in the Canadian forces as they did in the great war? The same question was raised in the British house yesterday morning. Will the minister look into the matter and give a reply at his convenience? In the last war it was very easy for Canadians living over there to sign up.

Hon. NORMAN McL. ROGERS (Minister of National Defence): I shall be very glad to take notice of the question. I may say at the moment that authority has been given for the limited enlistment of Canadians overseas for special purposes.

Mr. CHURCH: Have they to return to Canada to enlist?

Mr. ROGERS: No. But the authority is limited at the present time.

Mr. CHURCH: A little too much "status."

Mr. HANSON (York-Sunbury): Would the minister enlarge a little on the question of the limited authority for special purposes? —because apparently that, after all, is very much limited.

Mr. ROGERS: I will take notice of the questions and answer them later.

PRIVILEGE—MR. BRUCE

STATEMENT AS TO FACILITIES FOR MANUFACTURE OF TANKS IN CANADA

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, I rise to a question of privilege.

My attention has been called to a statement made in the house on May 28th by the Minister of Munitions and Supply (Mr. Howe) in replying to a reference made by me earlier in the day to a Canadian factory's ability to make tanks. The minister stated, as reported in *Hansard* on page 309:

> So when a man stands up and makes reckless statements about two firms in Hamilton that can build tanks—

And so on. I wish to tell the minister that I am not in the habit of making reckless statements.

Some hon. MEMBERS: Order.

Mr. THORSON: The hon. member should state his point of privilege.

Mr. SPEAKER: The hon. member has raised a question of privilege. He must state his point.

Mr. BRUCE: I will explain it all in a moment.

An hon. MEMBER: State it now.

Mr. BRUCE: My whole training and habit of life have been to observe scientific accuracy, and I resent the minister's accusation.

Some hon. MEMBERS: Order.

Mr. BRUCE: If the minister will refer to page 302—

Mr. SPEAKER: The hon. member may state his question of privilege and invite an answer, but he must not make any statement other than an expression of opinion or statement of fact in asking the privilege of the house to deny or affirm a statement which has been made. I will ask the hon. member to be as brief as possible in making his statement.

Mr. BRUCE: I will make this as brief as possible, Mr. Speaker. If the minister will refer to page 302, he will see that I based my remarks upon a statement made in another place by an hon. member of high standing, to the effect that there were "two factories in Hamilton, one of which could produce two hundred and fifty tanks a month." I did not then qualify that statement, but surely the minister would understand this to mean that this factory could produce the tanks specified only after receiving the order and when it has got into production. When, in answer to the question, the Minister of Munitions and Supply made the statement in the house on May 28—

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I protest. I did not mention the hon. gentleman's name in connection with that remark. There is no question of privilege.

Mr. HANSON (York-Sunbury): The minister might possess himself in patience for a few minutes.

Mr. LAPOINTE (Quebec East): But he is right.

Mr. HOWE: What is the question of privilege?

Mr. SPEAKER: The hon. member might state his question of privilege, and make his denial. I think that can be done very briefly.

Mr. BRUCE: Mr. Speaker, it will be necessary for me to say a few words in order to show that I was not making a reckless statement.

Some hon. MEMBERS: Order.

Mr. BRUCE: I do not think it is sufficient simply for me to deny having made a reckless statement.

Mr. SPEAKER: I wish to give the hon. member every consideration. He is asking on a question of privilege to make a denial of statements having been made, or of motives which have been attributed to him. If he will state what has been said and make his denial, he is then exercising his right of privilege. The hon. member might accept my suggestion that, on a question of privilege, he is entitled if he wishes to defer the matter and have the question of privilege stated to-morrow. I suggest that he do that.

Mr. BRUCE: Mr. Speaker, I will accept your decision.

VETERANS HOME GUARD

INQUIRY AS TO ESTABLISHMENT OF UNIT IN MILITARY DISTRICT NO. 2

On the orders of the day:

Mr. J. H. HARRIS (Danforth): On June 3 the Minister of National Defence (Mr. Rogers) was kind enough to say that he would answer a question I then asked as to when the veterans home guard for military district No. 2 would be established and who would be the senior officer in charge. Will the minister now give that information?

Hon. NORMAN McL. ROGERS (Minister of National Defence): I can give my hon. friend the greater part of the information.

Instructions were issued to Brigadier R. O. Alexander, D.S.O., District Officer Commanding, Military District No. 2, for the organization of two companies of the veterans home guard in his military district, and the organization is now proceeding under the auspices of the district officer commanding. Major Charles Bethune Lindsay, D.S.O., has been appointed to command No. 2A company. Information is not yet available as to the command of No. 2B company.

NATIONAL REGISTRATION

QUESTION AS TO ADVISABILITY OF IMMEDIATE ACTION IN VIEW OF WAR CRISIS

On the orders of the day:

Hon. W. EARL ROWE (Dufferin-Simcoe): In view of the steadily increasing crisis inside as well as outside this country, will the government state whether they will give consideration to the advisability of an immediate national registration of every man and woman in Canada?

Right Hon. W. L. MACKENZIE KING (Prime Minister): That question is one which will be duly considered.

CIVIL SERVICE SUPERANNUATION

ORDER IN COUNCIL OF AUGUST 11, 1939, TO HAVE FORCE AND EFFECT OF STATUTE

The house resumed, from Tuesday, June 4, consideration in committee of Bill No. 28, to amend the Civil Service Superannuation Act, 1924—Mr. Ilsley—Mr. Vien in the chair.

On section 1—Order in council to have force and effect as from the 11th of August, 1939.

Mr. HANSON (York-Sunbury): As I understand it, this bill arises out of one of the recommendations of the house committee on superannuation, of which there were twenty-eight, and is one which would not involve large expenditures of money, to paraphrase what the minister said on a previous occasion. I am wondering whether the method of approving an order in council by legislation, one which I have not seen adopted before, is the proper mode of procedure. Should it not be in the form of an ordinary bill to amend the Superannuation Act and containing the various provisions set out in the order in council? I throw that out as the first suggestion. Such a bill could be expressed as being retroactive to August 11, 1939, the date on which the order in council became effective. It is merely a matter of procedure. It is not a matter of great consequence but it is a thought that has occurred to me and I pass it on to the minister for what it is worth. I would assume that the minister and the officers of his department, or whoever has charge of the operations of the Superannuation Act, must have given consideration to the method.

The second point which I desire to direct to the attention of the minister has perhaps a little more meat in it. Is there any statutory authority enabling the governor in council to approve the provisions contained in the order in council of August 11, 1939, P.C. 2261? In the brief time at my disposal I have endeavoured to go through the Civil Service Act and amendments and I must say that I have not been able to find any such authority upon which such an order in council could be based, and I am inclined to think that there is none; otherwise this confirmatory legislation would not now be before the house.

The third point is this. The order in council purports only to give effect to such recommendations of the House of Commons committee on civil service superannuation—which committee, I understand, sat through two years—as could be approved by order in council, but the recommendations given effect to by order in council and approved by this bill are:

(a) An increase in contribution, for salaries exceeding $1,200 but not exceeding $1,500, from 5 per cent to 5½ per cent. That, I believe, is in accordance with the recommendation. Salaries in excess of $1,500 are to pay 6 per cent. I need not labour that.

(b) Only that service for which contribution has been made shall be counted as service for superannuation purposes. In other words, no more free service is to be counted. That is the intent, I think.

(c) Active service overseas during the great war shall be counted, with certain restrictions, as service for superannuation purposes.

(d) Contributors appointed other than by the civil service commission shall be required to furnish a certificate of health before being permitted to come under the act.

Of course, there were a great many other recommendations in the report of the house committee. These recommendations were unanimously approved by the house, I am informed, on May 24, 1939 and no action has been taken to give effect to them, for the reasons suggested by the minister. I think the reasons given are good ones, having regard to the situation in which we find ourselves—that is to say, that a good many of the recommendations would involve the payment of large sums of money which the treasury could not sustain at the present time.

But some of these recommendations would not entail any substantial contributions from

the treasury. For instance, there is a recommendation that provision be made to enable temporary employees occupying positions of continuing indeterminate duration to come under the act. This provision appears to have been made by order in council P.C. 2262. Why is this order in council not approved by this bill? What statutory authority exists therefor?

Mr. ILSLEY: What recommendation is that?

Mr. HANSON (York-Sunbury): That provision be made to enable temporary employees occupying positions of indeterminate duration to come under the act. Provision is made for that under P.C. 2262. Order in council P.C. 2261 is the one attached as an appendix to this bill; I am referring now to P.C. 2262, which was passed in pursuance of the recommendations of the house committee with respect to provision being made to enable temporary employees occupying positions of continuing indeterminate duration to come under the act. Why is this order in council, P.C. 2262, not approved by legislation? What is the existing statutory authority for passing that order in council? It may be that it is quite in order, I do not know; I am simply asking for information.

I am not going through all the list of the twenty-eight recommendations that were made. There is, I think, ample reason why the government should not have taken action at this time, notwithstanding the unanimous approval given by the house a year or so ago. I should like the minister to answer the two questions: What is the statutory authority for passing P.C. No. 2261; and if statutory authority was required for the passing of that order in council, why is P.C. No. 2262 regarding temporaries not approved by this legislation, or is there statutory authority in the latter case and not in the former?

Mr. ILSLEY: I shall take the last question first. There were two committees; one dealing with the Civil Service Act, and the other dealing with the Civil Service Superannuation Act. There were two orders in council. One order in council is that now being ratified, which appears as an appendix to this bill. The report of the law officers now is that the government had not the authority to do some of the things that the governor in council last August attempted to do under this order in council, and that is the reason for this legislation.

Mr. HANSON (York-Sunbury): I think that would be quite apparent; that is why the minister brought down this bill. Prior to the enactment of P.C. No. 2261, did the government have a legal opinion as to the legality of the procedure in that order in council?

Mr. ILSLEY: No. The officers of the treasury board had the officers of the Department of Justice draw up the order in council. The officers of the treasury board felt that it was within the powers of the governor in council to pass it, and they were not corrected on that point by the officers of the Department of Justice.

Mr. HANSON (York-Sunbury): The question of legality did not arise at that time?

Mr. ILSLEY: It was not squarely faced at that time; no opinion was sought. There seemed to be an assumption that this could be done. The matter was perhaps not considered with great care because of the fact that agreements were taken from contributors by which they undertook to accept these provisions, whether they were authorized by statute or not.

Mr. HANSON (York-Sunbury) That is, there was protection by reason of taking these agreements?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Now that is the first one.

Mr. ILSLEY: The hon. gentleman wants me to continue about the other. No question has arisen as to the other order in council or any part of it being beyond the powers of the governor in council. I must say I have not examined its provisions with care from the legal point of view, but the other order in council, I am informed, is passed under powers conferred on the governor in council by the Civil Service Act. It is not an order in council purporting to deal with matters arising under the Civil Service Superannuation Act, and no one has ever questioned the legality of its provisions.

Mr. HANSON (York-Sunbury): I am wary about giving legal opinions in parliament; in fact I am not going to do that; I am not paid to do it. But I wish the minister would give consideration to that aspect of the matter. I do not want to hold up this bill; I have no such intention. I quite realize that in the first case attention has been drawn to the doubt that does exist under present statutory authority as to the power to pass the order in council that the minister is now having ratified. I wish that before third reading the minister would consider the question whether there is statutory authority for the passing of the other order in council to which I refer. If there is statutory authority, of course that settles the matter; but the query

arises because of the doubt that must have arisen, with which I find myself in agreement, as to the authority of the governor in council to pass the order in council which we are now ratifying. I am not questioning the principle of the bill. The minister will consider the question to which I have referred, and let us know before the third reading?

Mr. ILSLEY: Yes.

Mr. NEILL: I call attention to what I assume is a typographical error on page 2 of the schedule, in the table of contributions. Evidently the amount of salary in the first line of that table should be $1,200 instead of $200.

Mr. ILSLEY: Yes.

Mr. NEILL: Then on the same page it says that contributors will be required to furnish a certificate of health before coming under the Civil Service Superannuation Act. Does that mean such a certificate of health as would be required by a person applying for life insurance? I take it that it means a reasonable expectation of life at the person's age. This act will apply almost entirely to more or less elderly people, people over fifty, or between forty and fifty. No man at that age is as thoroughly sound as one at twenty, and probably could not pass an examination for life insurance. I take it the spirit of the legislation is to require only such a certificate of health as shows likelihood of continuance of the civil servant in his occupation for a reasonable number of years, according to his age, not that he must be thoroughly sound in every way.

Mr. ILSLEY: The Civil Service Act provides that civil servants before they become permanent, certainly at one stage, must, as a condition precedent to that, pass a medical examination. That applies to all civil servants appointed under the provisions of the Civil Service Act. I do not know whether the standard of physical fitness is as high as would be required of persons applying for life insurance, but whatever the standard is, it is applied to persons who by virtue of this order in council are admitted to the benefits of the superannuation fund, or come under that fund. It is not limited to elderly civil servants or to a class of civil servants of whom the great majority are elderly. It extends, for instance, to all the employees of the income tax division, none of whom was appointed by the civil service commission. After this order in council was passed, all those employees who were permanent or who were seeking to become permanent were obliged to pass a physical examination before they were admitted to the benefits of the superannuation fund. The reason is apparent. It would not be fair to the fund to place upon it persons whose expectancy of life is short.

Mr. NEILL: The answer to that naturally is that those who come in now as elderly people are those who have survived; the weaklings have been weeded out by sickness or death. To these men the minister's argument would apply under ordinary conditions. But the minister must remember that these men who come in now must pay for the whole of their past period of service. The fund will be benefited by the fact that these men coming in now will have to pay some twenty or thirty years' arrears at six per cent—not five per cent—and the fund certainly will not suffer in that regard. Those on whom the fund would lose through their falling out at an early age have been eliminated. What the minister says about the income tax branch of the civil service is true, yet this bill is in great part retroactive. It provides a method of coming under the superannuation fund for people who have not enjoyed that privilege in the past, and there is no doubt that the great majority of these people will have to make contributions covering a considerable period of time. If they are going to be held down to a strict medical certificate of health, just as though they were entering the service at the age of twenty-five or thirty-five, I am afraid very few will qualify. The inspection can be as strict as is desired when men first enter the service; but when we are doing what we consider to be a retroactive act of justice for these people, I do not think it should be so narrowed down that they must qualify in absolutely every way by passing a strict medical examination. If it is, a great many people whom the legislation is intended to benefit will miss out.

While I am on my feet there is another matter I should like to mention. I see provision is made that these people will be allowed to count their war service, but only until November 11, 1918; and they have to pay their back premiums for that period, as is quite proper. But I know cases have arisen of men who, after November 11, 1918, were sent into Germany and to other points, and continued in active military service. They were not asked if they wanted to go; they were sent, and some of them did not get back to this country for perhaps a year or eighteen months after November 11, 1918. Under this provision these men will have to pay six per cent on the average salary during their first three years of service in the department when possibly they were getting only $1.10 a day overseas. In such cases I think it is hardly

fair that they should have to pay six per cent on perhaps $150 a month for a period of twelve or eighteen months when they were kept in the army and drawing very much less pay than that. I should like the minister's reaction to that point.

Mr. ILSLEY: I am informed that all these matters were gone into fully by the parliamentary committee which dealt with the question. I am not prepared to argue the case for accepting the rates of pay during the first three years of service as the basis, but in many cases it would operate to the benefit of the contributor rather than against him.

Mr. NEILL: I am afraid I did not make myself clear. I am quite satisfied with that basis, but my point was that they should not be required to pay six per cent on that average for the period of time they were still in the army, receiving perhaps $1.10 a day. I suggest they should be taxed six per cent of their average salary during the first three years of service but not for the period when they were actively at war, either before or following November 11, 1918.

I should like to mention one other matter. I am not making very much headway, but I consider it my duty to bring up these points. The minister said that these matters were carefully considered by the committee. That is so, but we have often seen this house and the government, in their good judgment, make substantial changes in policies laid down or suggested by committees. We have only to look at this very recommendation now under consideration, which is only one of twenty-eight. The government saw fit, and perhaps quite properly, to pay no attention to the other twenty-seven recommendations. So it does not follow that it is the law of the Medes and Persians just because a committee recommended it. I would suggest that all our legislation should be dealt with on its merits rather than in view of the fact that some committee recommended this, that or something else.

Mr. HANSON (York-Sunbury): Or a royal commission.

Mr. NEILL: Yes; the same thing applies to royal commissions; we do not always carry out what they recommend.

I should like to mention one other matter to the minister, if I could get him in a generous humour. It affects very few men, perhaps not more than a dozen, who were working on boats of the Department of Fisheries which were taken over by the navy. Some of these men were compelled, because they were members of the reserve to go with the boats while others volunteered to serve their country, and surely they should get all credit for doing that. According to the departmental interpretation, from letters I have before me, these men will not be eligible to come under this superannuation provision, because at the present moment they are not servants of the fisheries department but servants of the navy, and of course for the time being the navy is making provision in case of death on account of war service. The point is that the year within which they must decide lapses next August, and after that they will not be able to take advantage of this provision.

I certainly think something should be done so that when these men are released from the navy they may have the privilege of coming under the superannuation act. It seems to me that would be only following a basic principle of justice. Even to-day the navy will not take care of them if they contract some disease which is not attributable to war service, and in the meantime they are out of luck. I have before me correspondence which in effect says, "We do not regard you as being our employees any longer, and we accept no responsibility." I also have a copy of a letter from the Vancouver office stating that these men are on leave of absence, loaned to the navy, presumably for the duration of the war. That being so, they are still employees of the Department of Fisheries; and, being employees of that department, either now or when the war is over they should be allowed to obtain the benefits of this act. Instead of that, we have a section here which states that unless they make their choice within one year from last August, they will not be able to apply at all.

Mr. ILSLEY: The hon. gentleman spoke to me about those employees of the Department of Fisheries who are now members of the Royal Canadian Naval Reserve, if that is the branch to which they belong—

Mr. NEILL: Not all of them; some volunteered.

Mr. ILSLEY: I made inquiries in that regard, and the information I receive is that the question of giving these employees permanent status is now under consideration by the fisheries department, which is prepared or disposed to consider—I would not presume to make too definite a statement—that these employees will be regarded as on leave from that department without pay, while on active service. If the department can do that legally, and does it, I think it meets the hon. gentleman completely.

Mr. NEILL: Then they would be eligible when they returned to the service?

Mr. ILSLEY: If these men are regarded as fisheries employees on leave without pay while on active service, then they come within the terms of another order in council which provides that they can continue under the superannuation act, and their period of war service will count. There was an order in council passed on September 7, 1939, covering all permanent civil servants on leave without pay.

Mr. NEILL: Would the minister let me have a copy of that order in council?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): But what is the position with regard to the other question raised by the hon. member for Comox-Alberni, respecting those who were on active service in a theatre of war after November 11, 1918? It may be that there are none, but I assume there are a few. Some were serving in Siberia; some went to Murmansk. The hon. member for St. John-Albert (Mr. Hazen) I believe was sent up there. Some consideration might be given to these men. I have not been asked to speak about the matter, but I hope they will be treated fairly.

Mr. LOCKHART: Many of these men were not discharged until many months after the armistice, and I do not think a set date was considered. It seems to me there is discrepancy here.

Mr. ILSLEY: It is certainly open to argument that it should be the date of discharge rather than November 11, 1918. But it is not so stated in the order in council, and I should not like to change the order in council now. We consider it rather important not to open up this superannuation question.

Mr. LOCKHART: There may be cases of discrimination.

Mr. ILSLEY: There is not much discrimination. Will the hon. member consider what is being done? Men who were not working at their ordinary duties in the civil service, but who were overseas, are being allowed to count that time as though they were in the service. There have always been two quite strong opinions as to whether that should be done at all.

Mr. HANSON (York-Sunbury): It is generous treatment; there is no doubt about that.

Mr. ILSLEY: It may be that this cut-off date of November 11, 1918, was decided on because of the knowledge that there were two opinions about the matter. It may be that for that reason this date was selected instead of the date of discharge.

[Mr. Neill.]

Mr. HANSON (York-Sunbury): I think the date of discharge would have been a better date.

Mr. ILSLEY: A more logical date.

Mr. DIEFENBAKER: Are penitentiary guards eligible to benefits under this act?

Mr. ILSLEY: There are some penitentiary guards who have a permanent status, and they would come under the act.

Mr. DIEFENBAKER: Are they subject to removal by the minister?

Mr. ILSLEY: I do not think so.

Mr. LAPOINTE (Quebec East): The officers and guards in the penitentiaries were taken away from the civil service commission some years ago when Mr. Guthrie was Minister of Justice. At that time I agreed with him because I felt that qualified men could not be appointed to positions in the penitentiaries by means of competitive examinations or boards of the civil service commission. The work in the penitentiaries is to some extent, similar to military operations. Surely you would not have a soldier appointed by the civil service commission. This work is not at all similar to that done by clerks, stenographers and other members of the service.

Mr. ILSLEY: They may be eligible for the benefits of the fund just the same. The appointment is not the important thing. They may be permanent and therefore entitled to the benefits of the act.

Mr. DIEFENBAKER: They still receive benefits?

Mr. ILSLEY: If they are permanent.

Mr. COLDWELL: If the civil service commission is not qualified to appoint warders, who is qualified to make the recommendation?

Mr. LAPOINTE (Quebec East): The superintendent of penitentiaries, the inspectors who know the deputy wardens and the superior officers in the various penitentiaries, and the Minister of Justice, who of course consults these officials.

Mr. HANSON (York-Sunbury): This may not be germane to the discussion, but I should like to ask the Minister of Justice if the man best qualified to appoint a guard is not the warden under whom he is to serve?

Mr. LAPOINTE (Quebec East): I agree with that.

Mr. HANSON (York-Sunbury): Other things being equal, I think his recommendation ought to govern.

Mr. THORSON: Sometimes.

Mr. HANSON (York-Sunbury): Perhaps not always. I know the man down in the maritime provinces and there has been no trouble there.

Mr. LAPOINTE (Quebec East): He is a good man.

Mr. HANSON (York-Sunbury): There have been no riots in his institution. I would be prepared to take his recommendation in the selection of a guard. I do not think there would be any political significance in that. I hope the minister does not intervene too much.

Mr. LAPOINTE (Quebec East): I have not intervened at all.

Mr. HANSON (York-Sunbury): The minister said that in the final analysis it came back to him.

Mr. LAPOINTE (Quebec East): I agree with most of what my hon. friend has said. The warden in a penitentiary is better qualified than anyone to make a choice of a man or decide who is to be promoted. There may be exceptions to all rules, but generally speaking my hon. friend is quite right.

Mr. DIEFENBAKER: Upon whose recommendation are dismissals and demotions made in the penitentiary service?

Mr. LAPOINTE (Quebec East): The wardens and the inspectors who visit the penitentiaries and who may make reports concerning certain officers. Any action taken by the minister is based upon the recommendation of the superintendent.

Mr. McCANN: There has been some discussion of this revision in the method of counting active overseas service for superannuation purposes. I was the seconder of the motion that the final report of the special committee be concurred in. The recommendations of this committee appear in *Hansard* of May 24, 1939, and I should like to quote from page 4455 as follows:

Recommendation No. 4 asks that provision be made for counting active service overseas during the great war, which cannot now be counted, subject of course to certain restrictions. Certain men who left the civil service of Canada on leave at the beginning of the war were given credit for their service overseas. At a later date that terminated and many men who had been in the civil service before the war are not now eligible to count their time overseas for benefits. New employees who joined the service after the war have not been able to receive credit for time overseas. All organizations of returned men have made representations for many years urging that such service be allowed as a matter of fair play and justice, the principle of which is established in connection with the mounted police and, I believe, one other branch of the service; and your committee has decided to recommend that a change be made.

The different service organizations who made representations before the committee were of opinion that the most equitable date was the date of armistice, November 11, 1918. Some men were discharged prior to that date, while others were discharged a considerable time afterward.

Mr. HANSON (York-Sunbury): It was a compromise.

Mr. McCANN: It was entirely a matter of compromise. In making this recommendation I feel that we met the wishes of the different service organizations who appeared before the committee. I offer this in explanation to the hon. leader of the opposition who raised the point.

Mr. MacINNIS: What is meant by "free service," referred to in paragraph (b) of the schedule?

Mr. ILSLEY: After a civil servant became permanent following service as a temporary for some years, half his period of temporary service was allowed to count, without contribution, towards superannuation.

Mr. MacINNIS: Do employees who have been in the civil service for some time as temporaries and have been made permanent now contribute in respect of their whole time as temporaries in order to get superannuation covering the period of temporary service?

Mr. ILSLEY: They pay for the whole period of their temporary service.

Mr. FAIR: Has the government taken steps to suspend promotions in the civil service for the duration of the war, or do promotions still go on as in the past?

Mr. ILSLEY: I hesitate to open up this broad field, but if it is not going to precipitate a long debate, which would be quite out of order, Mr. Chairman—

Mr. FAIR: A yes or no answer is all I want. I had heard a rumour to that effect.

Mr. ILSLEY: The whole matter has been very carefully covered by order in council. Generally speaking I might tell the house that the service is divided into war staffs and those concerned with peace-time activities. The war staffs are eligible for reclassification but they are not eligible for permanent service, and they are warned when they enter the service that they are temporary and can never be anything but temporary during the period

of the war. That is to prevent them from acquiring a vested right to a continuance of office after their services may no longer be required. A deduction of five per cent is made from their salaries and will be repaid to them with interest when their services are no longer required.

With regard to staffs other than war staffs, they are being asked to make some sacrifice in that their positions are not to be reclassified during the war. On the other hand, they will be eligible for promotion within the rules laid down by the governor in council regulating promotions. Promotions are different from reclassifications. Promotions can take place, but I would not like members to make any mistake about what promotions are. Promotions are advancement to vacant positions. They do not increase the total establishment or the total expense to the treasury. Reclassifications do. Reclassifications are a revaluation, usually upward, of existing positions, and after an extensive reclassification takes place the cost to the government is considerably greater than it was before. Reclassifications are to cease during the period of the war so far as the peace-time staffs are concerned.

Mr. HOMUTH: As time goes on if the war continues there is going to be a considerable increase in the cost of living, rents and so forth. Has the government decided upon a policy in that regard? Naturally the civil service will expect increased remuneration because of the increased cost of living. Will that be done by increasing the salaries or by a bonus system? I suggest that it be done by a bonus system, which is the practice a great many industries are following. The employees understand that the bonus will be taken off when the war is over and things get back to normal.

Mr. ILSLEY: It is a matter for consideration, but not under this bill.

Mr. REID: Have steps been taken regarding superannuation for civil servants who enlist?

Mr. ILSLEY: Yes, that is covered by the order in council to which I referred and of which I promised to give my hon. friend from Comox-Alberni (Mr. Neill) a copy. I shall be glad to give my hon. friend a copy.

Section agreed to.

Bill reported.

[Mr. Ilsley.]

CITY OF OTTAWA AGREEMENT

AUTHORIZATION OF PAYMENT OF $100,000 FOR THE YEAR ENDING JULY 1, 1940.

Hon. P. J. A. CARDIN (Minister of Public Works) moved the second reading of Bill No. 29, to authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—UNDERTAKINGS IN GENERAL INTEREST AND FINANCIAL ASSISTANCE TO PROVINCES

The house resumed, from Tuesday, June 4, consideration in committee of the following resolution—Mr. McLarty—Mr. Fournier (Hull) in the chair:

That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress out of moneys appropriated by parliament, and for such purpose to supplement the measures taken by the provinces towards providing assistance to those in need, establishing unemployed persons in employment and training and fitting suitable persons for productive occupations, and also to provide financial assistance to the provinces by way of loan, advance or guarantees out of unappropriated moneys in the consolidated revenue fund, and for the appointment of necessary officers, clerks and employees.

Mr. GORDON GRAYDON (Peel): Mr. Chairman—

Mr. McLARTY: I wonder if my hon. friend would allow me a few moments to place on *Hansard* certain information I was asked for yesterday. The hon. member for Macleod (Mr. Hansell), in the course of the debate last evening, asked me two questions which I promised to answer. He referred to the words in the resolution, "training and fitting suitable persons for productive occupations". I would point out to him that this resolution does not deal with youth training, but only with the training or retraining of older persons. He also asks to have placed on *Hansard* the amount of the dominion contributions under this act to the various provinces over the period of five years. The statement is a somewhat lengthy one. I wonder if I could obtain the permission of this committee, rather than read all the figures which it would be difficult to follow, to place the statement on *Hansard* without reading it.

Some hon. MEMBERS: Carried.

Mr. McLARTY: The statement is as follows:

Dominion disbursements to the provinces under relief legislation from and including the Relief Act, 1935, to the close of fiscal year 1939-40

	1935 Act	1936 Act	1937 Act	1938 Act	1939 Act	Total
	$	$	$	$	$	$
P.E.I.	286,925 00	291,415 89	125,190 90	81,010 59	39,568 93	824,111 31
N.S.	1,295,367 51	1,110,450 00	588,761 48	340,740 35	367,499 62	3,702,818 96
N.B.	1,059,703 21	910,451 93	509,516 99	351,956 61	549,960 10	3,381,588 84
Quebec	7,502,517 00	11,451,968 75	6,919,792 84	4,959,865 93	2,540,901 08	33,375,045 60
Ontario	16,208,843 56	13,982,923 94	7,186,305 02	7,283,936 30	7,519,534 66	52,181,543 48
Manitoba	3,563,153 71	4,536,843 09	3,073,634 02	2,014,923 77	1,972,322 36	15,160,876 95
Sask.	8,738,156 17	9,243,943 92	6,213,757 90	2,886,637 27	3,033,022 85	30,115,518 11
Alberta	1,780,658 72	2,633,676 27	2,325,049 51	1,450,480 79	1,119,099 07	9,308,964 36
B.C.	2,282,530 71	3,500,009 11	2,678,562 55	1,949,544 84	2,398,188 72	12,808,835 93
Yukon & N.W.T.	10,452 78					10,452 78
Total	42,728,308 37	47,661,682 90	29,620,571 21	21,319,096 45	19,540,097 39	160,869,756 32

The youth training programme during the years 1937-38 and 1938-39 was carried out under the relief legislation then in effect, namely, the Unemployment and Agricultural Assistance Act, 1937, and the Unemployment and Agricultural Assistance Act, 1938. Since April 1, 1939, the youth training programme has been carried out under the Youth Training Act, enacted at the 1939 session of parliament. The expenditures for youth training under the 1937 and 1938 relief legislation which are included in the foregoing statement are shown below together with expenditures under the Youth Training Act, 1939.

Dominion disbursements for youth training April 1, 1937, to close of fiscal year 1939-40

	The Unemployment and Agricultural Assistance Act, 1937	The Unemployment and Agricultural Assistance Act, 1938	The Youth Training Act, 1939	Total
	$	$	$	$
Prince Edward Island	9,093 65	14,141 38	9,056 30	32,291 33
Nova Scotia	58,212 90	62,189 79	47,797 52	168,200 21
New Brunswick	35,521 22	75,504 35	70,892 74	181,918 31
Quebec	102,936 73	159,865 93	....	262,802 66
Ontario	110,335 51	70,571 80	158,121 36	339,028 67
Manitoba	73,393 30	105,043 99	105,911 88	284,349 17
Saskatchewan	50,183 51	98,651 55	104,402 08	253,237 14
Alberta	54,141 45	94,757 13	100,261 97	249,160 55
British Columbia	89,555 47	153,395 81	116,007 28	358,958 56
Total	583,373 74	834,121 73	712,451 13	2,129,946 60

Mr. GRAYDON: I do not propose to consume a great deal of the time of the committee this afternoon in a discussion of the points which come to my mind with regard to this resolution. I had rather hoped last evening that the Minister of Labour (Mr. McLarty) would take the splendid opportunity which he had to deal at the opening of this debate with some general principles of policy that would govern his actions in connection with the work contemplated under this resolution. I feel the committee was entitled to some general enunciation of policy, the details being reserved to be given upon the second reading of the bill to be founded on the resolution.

As all hon. members know, the resolution deals not only with the question of unemployment in Canada, but also with the question of the alleviation of agricultural distress. For a good many years I have from time to time listened to debates in this house in connection with agriculture. As I come from an agricultural riding, those debates naturally aroused a good deal of interest in my mind, and sometimes not a little concern, because there seems to be an idea abroad in the dominion, perhaps also in the minds of some hon. members, that the distress among agriculturists generally does not extend to Ontario and to other eastern Canadian areas. May I therefore point out to the Minister of Labour, although perhaps it is a matter more directly within the purview of the Department of Agriculture, that distress among farmers is not confined to any one part of the dominion.

Speaking of Ontario, because I know more about that province than I do about other parts of the dominion, let me say that the Ontario farmer has felt for many years that he is the forgotten man in Canadian agriculture. I am not going to discuss this afternoon whether that is a proper view for him to take. But it seems to me, as it must appear to every hon. member who comes in contact with agriculture in Ontario, that the farmers of that

province are experiencing a degree of distress which I believe hon. members will readily agree is not in the best interests of the industry as a whole.

One of the things I want to point out in this connection to the minister is a seemingly entire lack of plan on the part of the government to regulate agricultural production and supply. Most of the people on farms in Ontario find difficulty in recognizing any sort of plan proceeding from the government. They are allowed from time to time to raise different kinds of produce, but without any real scheme to prevent overproduction and accompanying collapse of prices. This criticism applies even more particularly in time of war than in time of peace. The lack of plan so far as governmental action in connection with eastern Canadian agriculture is concerned, is altogether too well known.

May I say to the Minister of Labour, although, as this is a matter of opinion, I do not express any personal view regarding it, that evidently he is one of the dozen or so men whom the Prime Minister (Mr. Mackenzie King) regards as the best brains in Canada. If that is the case—and I am not contradicting it at the moment, because after all it is a matter of opinion—

Mr. ROWE: The hon. member is not charging him with it either.

Mr. GRAYDON: The hon. member from Dufferin-Simcoe says I am not charging him with it. Absolutely, I am not charging him with it.

Mr. MacNICOL: Did the Prime Minister say that?

Mr. GRAYDON: Yes, the Prime Minister said that, and my regret is that he did not include the hon. member for Davenport.

With all we have in the way of government in Canada, surely it is not too much to ask that they have at least some plan for the benefit of Canadian agriculture. It is all very proper for us to deal from time to time with the question of marketing on a domestic basis. But allow me to point out that while we are considering the problem from a domestic point of view, we are permitting imports from the United States of farm products in competition with our own, of a magnitude which almost appals one when one looks at the figures.

I intend only to mention one case; I realize that this is a matter which can come up later in debate. On the question of fruits and vegetables, in which many people in my riding are intensely interested, during 1939 nearly $10,000,000 worth of fresh fruits and vegetables, of a class or kind which we in this country produce in our orchards and gardens, were imported from the United States of America. That figure is entirely exclusive of all citrus fruits, such as oranges, lemons and grapefruit, which, no matter what argument may be put up, must be regarded as displacing to at least some extent the products which we grow in our own farms and gardens.

The agriculturists of this country are ready to do their part in this war, but they want some real leadership and guidance from the government. We have heard time and again of the lack of leadership on the part of this government in respect of military matters, also of economic matters. But I charge the government this afternoon with an entire lack of plan, to an extent even worse than in other directions, as regards eastern Canadian agriculture and agriculture in general. It must be apparent to everybody whether they come from the farm or the city, that until the Canadian farmer gets a larger share of the national revenue there will never be a real economic balance in this country either during peace or war.

So much for agriculture. I want to deal for just a moment with the other phase of this momentous resolution, namely, unemployment. I wonder whether the government and hon. members realize that there is a war on. Persons who knew very little about legislation might well wonder why a bill was being brought in to deal with unemployment in Canada. It is taken for granted that we have many unemployables, but may I say that scores of thousands of men in that category could give and would willingly render really important service during this war-time period. As regards those who are able to work, there seems to be little excuse why they should not be working to-day. The question is being asked all over the dominion, at every street corner and wherever men congregate, why, if we are taking this national war effort seriously, are so many people out of work? Why are so many single men coming to members of parliament trying to find out where they can get in the army, whether they can enlist in the air force, whether they can find a job in some kind of plant, or any sort of job at all? More people have called on me in the last six months looking for employment of some kind—whether they thought that I was in a position to give them jobs or not, I am sure I do not know—than have ever come to see me for the same purpose in any comparable period during the whole of the five years I have been a member of parliament. There are transients here and there, young men, and men in many walks of life looking for employment. It is inconceivable—I say this sincerely, and I am sure the Minister

of Labour himself recognizes it—that such a condition should exist in Canada when we are supposed to be putting our best foot forward in an effort to win the war. That is the great question mark that will stand out in connection with our war effort until unemployment is cured once for all. The question is, why?

Last night I was looking into the totals given through the national registration of direct relief recipients. The figures will be found in the blue book known as the Unemployment and Agricultural Assistance Act of 1939. We have not the figures for April and May but I will give those that are available. I suggest that perhaps there is an answer to this, but it does not seem to be very good on the surface. Here is the situation. In the month when war was declared by Canada, in September 1939, there were, according to this report of the commissioner, 539,000 people drawing direct relief in Canada. I will leave out the odd numbers. In October—and remember, we were still at war—that figure had crept up to 543,000 and in November it had gone right up to 585,000.

Mr. McLARTY: I did not catch what the hon. member said. Did he say that was the number of the unemployed or of those receiving relief?

Mr. GRAYDON: I am quoting directly from the pamphlet issued by the commissioner giving the total number of direct relief recipients in Canada. Coming to December —and we are still at war—we find that the number has crept up to 629,000 and in January of this year it was 714,000. That was the number on direct relief in January of the present year, and in February that number had gone still higher to 753,000. In the last month for which figures are available, March 1940, when the war situation was approaching a crisis, we find the staggering total of 768,000 people on direct relief. Every month since the war began the figures have mounted instead of coming down. I leave these figures with the minister for one particular reason. I believe that, coupled with the fact that we are at war, they are a challenge to democracy and to Canadian parliamentary institutions generally, and I make that statement with every bit of emphasis and with all the seriousness at my command this afternoon.

If we cannot reduce the number of direct relief recipients in Canada during a time of world-wide conflagration in which we are supposed to be giving our best in an effort to win the war, then I ask, what sort of future shall we have in time of peace? The very foundation, the rock-bottom of democracy is our ability to keep our people at work and to maintain some semblance of national prosperity in the dominion, and I conclude these brief remarks with this observation to the Minister of Labour. It is not too late for him to see to it that we shall be preparing in Canada, not for unemployment but for work for everybody, for every man and woman, because we are going to need the labour of every last man and woman before this war ends in victory for Canada and the empire.

Mr. M. J. COLDWELL (Rosetown-Biggar): I find myself in agreement to a large extent with the hon. member (Mr. Graydon). It has been something of a surprise to many members that the government at this stage has not seen fit to come before parliament with some constructive policy and some proposals to meet the unemployment conditions and the condition of agriculture with which this resolution deals. For ten years now, as the records show, we have been dealing with resolutions of this description, and so far no solution has been found to these problems apart from the amelioration of the condition by means of direct relief. In the past, in peace time, we have had no public works programmes of the sort that would give work to the unemployed on any large scale, and we have been content year after year to follow a relief policy. We have failed very largely because parliament has not yet recognized that unemployment and poverty are a part of the normal working of the present economic system. It is obvious that recent legislation in Great Britain and in New Zealand foreshadows conclusively the end of the unplanned, undirected economic system which has brought us to this pass in times of peace and fails to solve it even now when we are at war. The sooner we recognize that the system we have known, which was obviously breaking down before the war, has collapsed and that the conditions which we shall face in the future will be different from those that we have faced in the past, so much the sooner shall we arrive at a solution of the problems that confront us.

Many of us are realizing for the first time to-day that the secret of the recent success of the Germans is the fact that they have consciously planned their economic structure. True, they have planned with diabolical intent, but they have planned with an end in view. We have failed to make any plans or to give any direction to our economic system for the worthy purposes for which we ought to have been planning in the past. I think that much of the discontent that we find here and there throughout the country to-day is due to the fact that people who are alleged to be subversive are not really subversive at all—I mean

the common people; the people who are agitating among them may be consciously subversive. But subversive activities would be easily met were it not for the distressed condition of many of our people across Canada. I regret that the government at this time apparently have no constructive policy to offer the house and the country. Last autumn when the war broke out we took a definite attitude in regard to the aid that Canada might give. We believed then and believe now that Canada's principal function in the war ought to be the provision of economic aid to the allies without profit to ourselves or to any persons in Canada. I thought that to some extent that was going to be done. I anticipated, and I remember saying so in my own constituency last autumn when I conducted a series of meetings there, that by the middle of this summer if we carried out the programme that most of us thought was then in view there would not be an unemployed person in the Dominion of Canada. Indeed I thought that by about this time skilled artisans would be coming into Canada to find work in the war industries that would be necessitated by the effort which many of us thought was going to be made.

Mr. ROWE: We were told that by the government.

Mr. COLDWELL: Yes, that was what we were led to believe. Instead of that, as was shown by the hon. member who has just taken his seat, in spite of the large number who have joined the army, there are tens of thousands of men unemployed, and there are tens of thousands of men, women and children on relief in this dominion.

I submit that Canada can solve her problem to-day. Not by doing as we are doing in this house at the present time, largely rehashing the very arguments that to my knowledge we have discussed for the last five years, and as the records show largely for the last ten years. There is the need, and we have the means, if we will organize, to end to a very large extent the unemployment which now confronts us. I read this morning, as many other hon. members undoubtedly did, the courageous speech made in the British House of Commons yesterday by Mr. Churchill. I should like to quote one paragraph. He said:

> Against this loss of over 30,000 men we may set a far heavier loss certainly inflicted on the enemy, but our losses in material are enormous. We have perhaps lost one-third of the men we lost on the opening days of the battle of the 21st of March, 1918, but we have lost nearly as many guns—nearly 1,000 guns—and all our transport and all the armoured vehicles that were with the army in the north. These losses will impose a further delay on the expansion of our military strength. That expansion has not been proceeding as fast as we had hoped. The best of all we have to give had gone to the B.E.F. and they were a finely equipped army. Here is this further delay. How long it will last depends on the exertions we make in this island.

I contend that Canada to-day can aid the people there in providing the equipment that is needed with which they may combat the enemy.

What do the allies lack? When the war broke out many thought that large numbers of men would be required by the army. We took the view then and take it now that material aid is of greater importance as far as we are concerned. We should not have any unemployed in the Dominion of Canada to-day had we organized our economic resources as we ought to have organized them. The lack to-day is of mechanized equipment of every sort, of ships and of food. True, the transportation of food and material is a difficulty which has to be faced. But Canada has shipyards, Canada has men who can build ships, as was shown in the last war and has been shown throughout the years in the maritime provinces. We have the materials, we have the men, and we ought to be organizing the entire economic resources of this country immediately in order that we may render the maximum aid possible.

Mr. POTTIER: Is it the suggestion of the hon. member that in the last war the government went into the shipbuilding business?

Mr. COLDWELL: No, I did not suggest that. I stated that during the last war Canada built ships. I would say in reply to my hon. friend that under the conditions that exist to-day the government of Canada should introduce legislation of the sort that has been introduced in Great Britain and New Zealand, and take over the entire economic resources of the country and organize them under public enterprise; without profit or profiteering we might give material aid and also end the present unemployment. There are in Great Britain to-day unequipped soldiers by the thousands. The need, let me repeat, is for equipment. We constantly hear it suggested that we ought to be recruiting more men for our armed forces. I believe we shall have to give some attention to the defence of our own shores before many days have passed, but the present need is the mobilization of our man power to assist in the production of the material goods that are so urgently required.

This afternoon the hon. member for Dufferin-Simcoe (Mr. Rowe) asked the Prime Minister whether a registration of man-power in Canada had been considered. I would say

that a far more important thing is the mobilization of our industrial strength, our economic power, in order to give the aid that is so badly needed overseas at this time.

The unemployment problem that we face to-day is a blot upon this House of Commons, this government and the Dominion of Canada. We should have been preparing these many months to organize and mobilize our economic resources in order to be ready to meet this challenge. Now that the challenge is right upon us, no matter what we may have thought in days gone by, in this house we are a unit in desiring to give the maximum aid that we can render. We have the man power, much of it idle. We have the factories, some of them idle.

Mr. MacNICOL: A good many of them.

Mr. COLDWELL: We have the material. What we lack is initiative, the plan and the driving power to put that plan across. I say that now, while it is not too late, we should repair our mistakes—and let us all admit that we have made mistakes; I am not accusing the government of having made all of them. I suppose there is scarcely a man who believed that what we have seen happen during the past three weeks was possible. No one thought that Germany would have the driving power that she has shown, and be able to reduce nations as rapidly as they have been reduced. But let us revise our judgment; let us face the facts now. Instead of wrangling over past errors and over this particular problem; instead of talking about unemployment, let us try to end it at least for the duration of the war. In doing so never mind the contracts; never mind private interests. Let us take over every power plant, every mine, every factory, every shipyard that we need, not all at once but as we need them; let us organize our labour force to give the material aid our allies need. I venture to say that if we mobilize our economic and industrial strength, the labourer in the factory and the farmer on the land will be glad to cooperate, provided they see that the economic strength of this country is being exerted to the maximum, without a profit being made by any private concern out of the necessities of war or out of their labour.

I submit that this is the way to end unemployment at this time; this is the way to end profiteering and, what is equally important, this is the way to help win the war. In this planning of our productive effort, in this planning to end unemployment, let us keep in mind that in order not to encourage subversive activities that may confront us when the war ends we must see to it that we maintain our standards of living and that the conditions under which labourers work and farmers produce are conditions worth fighting and making sacrifices for. That will involve, of course, guaranteeing the producers a fair return for their products, labour fair rewards, and the consumers fair prices for the things they buy.

These things can be done if we have the courage to do them, and in doing these things we can meet the very problem, both on the farm and in the industrial centre, that we are discussing this afternoon. I scarcely dare think of the alternative. It is the delay of victory, in any event, perhaps even the risk of defeat, and the continuance of distress which provides a fertile field for fifth column activities. This afternoon the Minister of Justice declared a number of organizations subversive. No doubt he has the evidence which caused him to make that declaration on behalf of the government. I am not criticizing that action, but I am going to point out once more that subversive organizations and activities arise largely out of discontent. If there is no poverty, no misery, no want and no discontent, then subversive organizations cannot thrive in the community.

So I say we can end unemployment and farm distress and at the same time serve a good cause. I think we should consider this problem in terms of the dire need of this nation and of our allies. As a matter of fact I believe that the situation which confronts us is a challenge to the representatives of the people and to the democratic institution of parliament itself. If we cannot solve this problem; if we cannot meet the demands that are made upon this institution, then there will arise in our midst, even as there have arisen in other countries, organizations which will endeavour to supersede this parliament. I am one of those who believe that in spite of all its defects, in spite of its sometimes slow movement, no institution can give democracy a better representation than the age-old British institution of parliament. But this is our challenge. We have the power now, if we will use it, to bring about a restoration of the respect of parliament in the eyes of the people of this country from one end of it to the other.

In conclusion I want to say that as a first step the government should mobilize immediately all the factories and industries that are capable of producing war materials. Never mind the difficulties about taking them over; compensation and all the rest of it can wait until the war is ended. I am reminded that even now the Minister of Munitions and

Supply has certain powers which would enable him to do that very thing. All food resources and war materials should be taken over. Those who produce them should be given an adequate return, that they might live decently and not be the prey of subversive organizations in our midst. In this way I believe the very problem we are discussing this afternoon could be met. So far as we in this corner of the house are concerned, as we said at the very outset we are prepared to facilitate government business and to give the government the right of way in every particular. We have tried to cooperate in every sense of the word. We are prepared to continue that cooperation in order that we may meet this domestic problem of unemployment and agricultural distress and assist in the organization of our country to meet the shock of war and the post-war conditions that will follow.

Mr. F. D. SHAW (Red Deer): Mr. Chairman, in rising to speak to this resolution I propose to be direct and brief. As a new member of this house it was my intention to remain silent and learn. Probably I should have remained silent if this question of relief had not come up. Considered at its very best, relief is degrading, demoralizing and soul-destroying, and I should feel that I were shirking my responsibilities to my constituents if I remained in my seat at this time and failed to express their feelings.

The resolution states that it has been deemed expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress. If it were universally agreed that unemployment and agricultural distress were impossible of solution I should be able to look upon this resolution in a much happier state of mind. But since it is not universally believed or agreed that these problems are impossible of solution I cannot look upon this resolution happily at all. How much better it would have been if it had been deemed expedient to bring in a measure to cure unemployment and agricultural distress. For a moment I should like to refer to a statement made yesterday by the leader of the official opposition, as reported at page 509 of *Hansard:*

> I well remember the first bill dealing with unemployment relief which was brought down in the house in the session of 1930. There was not a man in this chamber then, and I doubt if there was a thinking man in Canada, who ever had the idea that this problem would not only be with us for ten long years but grow to the magnitude it has reached.

He goes on:

> If we had conceived at that time that it would become a problem of national magnitude, we might have—I do not say we would have—dealt with the problem ab initio from a different point of view; but there was not a man among us on either side of the house who had any conception of the extent and character of the problem that was confronting us or that it would be with us for these ten long years.

I must say that I cannot agree with that statement of the hon. leader of the official opposition. I contend that ten years ago the people were sufficiently enlightened as to the rapid developments which were taking place in our scientific and industrial fields to know that the machine age was rapidly creeping upon us. Furthermore, many of us knew even at that time that, labouring as we were under an orthodox system of finance which was slowly but surely crushing us, it was quite possible that no solution to this problem would be found under orthodoxy and that we should have the condition which is upon us to-day.

I do not know whether the hon. gentleman made his statement in order to cover up the actions of the Conservative party between 1930 and 1935 with respect to unemployment. I should like to reminisce for a moment. In 1930 unemployment in Canada had reached a figure in excess of half a million. The committee will pardon me for using algebraic terms but I would say that a figure of half a million plus x would probably be nearer right, because we have at all times a great number of unemployed who for some reason or another do not register.

Just before the election of 1930 the Conservatives were in hysterics. They said that there was absolutely no reason for the unemployment that existed. They contended that in a rich country like this fair Canada of ours with its potential resources and small population there was no reason for the condition that existed at that time. They told us that if they were elected they would solve the unemployment problem, that they would provide jobs for the unemployed. The people were a little gullible. Apparently they believed that statement; for they returned that party to power. We must give them credit for having kept the wolf from the door, but the wolf was dangerously close. If I may characterize it as such, their policy consisted of prayers and palliatives. Like our friend Micawber they seemed to be waiting for something to turn up.

From the election in 1930 until 1935 the unemployment problem became steadily worse.

The Conservative government of that time, labouring under an orthodox system of finance, found themselves in a position where they could not possibly handle the unemployment problem. When 1935 came along the Liberals had a new slogan. This will be quite familiar to our hon. friends on the other side of the house. They said: If elected we will take

control of currency and credit and issue it in terms of the public need. That sounded fine to the unemployed because they realized, as our group realizes to-day, that if that policy were carried out there would be an immediate end to the unemployment problem.

The people elected that Liberal government. As has been shown already by the speaker who preceded me, since 1935 the unemployment problem has become steadily worse. The Conservative government tried for approximately five years to correct the evil, but working under the orthodox system of finance they found they could not do it. Personally I have no faith in the alternatives announced by the present Conservative opposition, because they are still just as orthodox as the government. Since 1935 the Liberal government has tried to solve the unemployment problem. I think it must be admitted, even by hon. friends opposite, that they have not been entirely successful. But we must give them credit for having done their best to solve this problem under orthodox finance.

Unemployment cannot be permanently cured as long as we work under the existing orthodox financial set-up. I do not care how you try to do it, it cannot be done. Therefore we must seek some method of reform. We suggest the adoption of the method advocated by our group. This must be done in order to clear up, if I may use that term, a most unsatisfactory condition. A previous speaker stated, in effect, that the Canadian people believed that when Canada became an active participant in the terrible European conflict the question of unemployment would shortly cease to be a national problem. After approximately nine years of warfare—

An hon. MEMBER: Months.

Mr. SHAW: It seems like nine years. After approximately nine months of warfare we are forced to the conclusion that war does not provide a solution to the unemployment problem. In our unemployed we have a vast reservoir of man-power which is seeking to serve without success. We are faced with the tremendous cost of keeping these unemployed. we are spending vast sums of money which under better circumstances could be used to fight our war abroad. Please do not misunderstand me; I am not advocating that we should cut off the relief allowances to the unemployed. What I am trying to convey is that even under the orthodox system of finance there is no reason why our people could not be absorbed into industry, provided industry is speeded up to the proper point, without its being necessary to take anything out of general revenue and set it apart for their keep.

Under the present set-up the government depends upon income from taxation and upon borrowings from the bank, which is simply a more vicious type of taxation. But we find that the taxes imposed come out of the pockets of the millions of people who to-day are themselves on the very borderline of unemployment; and if we increase our taxation in order to raise money to meet the unemployment situation and our other problems, we shall be defeating our very purpose because as fast as we secure money for relief or rehabilitation of the unemployed, we shall be forcing the borderline taxpayers into relief. It is high time, therefore, that we realized that we are living in a different age from a decade ago, and it is vital that we get a clear-cut view of the situation as it now exists. I say to the government—and perhaps this is because I have not been a member of this house before—that if they were prepared to take control of currency and credit and issue it in terms of public need as they said they would do before the election of 1935, let them tell us definitely why they have not done it and why they do not intend doing it. The actions of the government in trying to meet present-day problems by orthodox methods of finance remind me very much of the actions of a witch doctor, and needless to say the results accomplished are about the same in both instances.

In conclusion, may I say that there is no reason in this world for members of the old orthodox school of finance to sneer at reformers just because they advocate monetary reforms which we know are bound to come and which hon. gentlemen opposite know are bound to come in spite of them.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Chairman, in discussing the resolution before the committee, I should like to confine my remarks to that portion providing for assistance in the alleviation of agricultural distress. I hope the members of the committee will not consider me provincial in my outlook if I confine my remarks to the province of Saskatchewan and the constituency which I represent.

I hope that the minister (Mr. McLarty) will not be a party to any changes which will force upon people on relief and the unemployed the acceptance of a lower standard of living. I have just received a dispatch from Canora, Saskatchewan. An article appeared in the press of May 23 to the effect that the relief committee consisting of Councillors Lawson, Shore and Wicwicki, had resigned as a committee at the regular meeting of the town council that week, on account of

the fact that government assistance had been cut off and the committee had no funds with which to carry on.

Hon. members, realizing that food for hungry people is involved, should think carefully before being a party to any action which in this land of plenty will result in people going hungry.

I have here some snapshots which I took myself in my constituency a number of years ago. They were sent to a friend of mine in the city many years ago because I told him of the poverty which existed in northern Saskatchewan. My deskmate (Mr. Gillis), on seeing these pictures yesterday, said that nowhere in the coalfields of Nova Scotia can you find poverty such as these pictures portray. I have never had the pleasure of meeting the hon. Minister of Labour, but I judge him to be a man who, if he knew about the matter, would not want to see a single person in Canada go hungry.

I hold in my hand a picture of a returned soldier who, with his wife and eight children, went to my constituency under what was known as the $300 scheme. The provincial government, the federal government and the city of Regina each contributed $100, and with this amount the family was supposed to become self-supporting. They were allowed $50 with which to build a house, $100 to purchase farm stock and implements, and an allowance of $10 a month for foodstuffs. This picture was taken when snow was on the ground. It shows five children without any footwear. These people did not dress for the picture. Like most of us they wished to appear in their best, and in the picture they are shown in their very best clothing, and without any footwear. I would be pleased if the minister would try to imagine himself in the environment of this returned soldier. Under the northern settlers reestablishment plan, the standard of living has been improved considerably, and the homes that are being built are superior to the one occupied by this man.

I have in my hand another picture showing a family in similar circumstances. I recall a conversation that took place after I took the picture. The father came out. He was rather philosophical in his outlook. He said to me, "No doubt you are saying to yourself, 'There is no excuse for people being dirty. We have read a great many stories about such and such a family being very, very poor but very, very clean.' You can take it from me," he said, "that poverty and cleanliness do not go hand in hand." He asked, "Have you ever tried washing without soap?" I had to admit that I had not. He said, "Well, this morning I thought I would have a wash for a change, and I said, 'Mary, where is the soap?' She said, 'We haven't had any soap in the house for ten days'." This man said to me, "I do not use tobacco; I do not use liquor. When I get my relief allowance, if there is a five cent piece that has not been spent, I tell the storekeeper to put in another cake of soap or another spool of thread." I wonder if hon. members can appreciate what it means to have a large family and no soap, to have ragged children and no thread in the house to mend their clothes. Hon. gentlemen across the way smile, but I should like them to try living under conditions which prevail in northern Saskatchewan. Think of this man who gave his best between 1914 and 1918, living with his children in poverty, with five children in the winter time without shoes or stockings. It is no laughing matter.

This is a letter I received from one of my constituents on April 14:

> We are in need of clothes very badly. We have only had one clothing order for $18 since we moved to the Block, and as you know that will not buy very much clothing. My husband is wearing his felts and rubbers, which are rather warm just now, and we are in need of lots of other clothing. We need a clothing order of $20.

I replied, advising her to consult the relief inspector for the area, and this is the reply I received after she had done so:

> I have made my application for clothing, and he says we cannot get clothing orders at all. So it looks as if we are to go nude out here. They also cut down our grocery order because we lost our little boy. We have no milk or potatoes, or hens to give us eggs.

I have another letter from one of my constituents dated April 27. This has to do with mothers' allowances. I know that does not come under the direct administration of the federal government, but hon. gentlemen have heard me read two letters describing conditions in northern Saskatchewan and they will understand how closely the problem of mothers' allowance is tied up with the problem of relief which we are discussing. This man writes as follows:

> I have been disabled from work for the last ten years. Not able to do my work on the farm, my wife is getting a mother's allowance of $36 per month. We have to buy clothing for a family of fifteen (father, mother and thirteen children) out of it, and buy books for the children out of it, and it is very hard to make a living, so I wish you could help us to get my wife's allowance increased a little.

So, Mr. Chairman, I wrote to the superintendent of the bureau of child protection for Saskatchewan. This is his reply:

> Dear Sir,
>
> I have your letter of May 21 before me. In reply must say that the $36.00 Mrs.—

I shall not give the name.

—receives is the maximum allowance paid in Saskatchewan for eight children under sixteen years of age. Mrs. has ten children under sixteen years of age, but as the last two were born after the allowance was first granted on account of the physical incapacity of Mr. , they cannot now receive a mother's allowance. Mrs. must look to the rural municipality for such additional aid as is absolutely necessary.

The allowance of $36 a month is for a father, mother and thirteen children. What will happen if they appeal to the relief officer, or the rural municipality as the case may be? They will be told that $36 a month for fifteen people is a good deal more than they would be allowed if they were on relief, and I venture to say that no increase will be granted even if they accept the advice of a man who signs himself "Superintendent, Bureau of Child Protection." An hon. gentleman asks, what is his salary? I am certain it will not be $36 a month.

This is another letter which I have recently received from a returned soldier. I will read a part of it:

It seems to me as though the time has arrived when everything that can be done by everyone should be done, and regardless of my age—

I have written to find out this man's age; as I recall it, he is over fifty.

—I should be able to fill the post of recruiting officer or some such similar post, which must surely be needed.

Listen to his first letter to me:

The provincial government have reluctantly condescended to allow us a relief ticket for $12.00, same having been received for the past two months to feed eight of a family, with a terse command that they may discontinue even that at any time. . . . It has been impossible for me to procure any local work to improve conditions, and owing to my family being young I cannot go far afield to look for work on account of home requirements . . . and well for us that I was about, for one day last week the shack caught fire and would have burned down had the woman been alone with the small children. Even as it was I had difficulty in saving what I did.

A few minutes of rapid calculation will reveal that this returned soldier, his wife and children are having the extravagant allowance of 1·66 cents per meal; this at a time when Canada faces a national crisis and a father who risked his life during the last war is offering his services again in any capacity.

I have reports from some ten families in my constituency. I am not going to discuss these cases in detail; I will simply say that these ten families report that their total grocery bill for 1939 was $1,575, or $23.16 per person per year, slightly less than $2 per person per month, or 6·34 cents per day, or a little over 2 cents per meal.

As I said before, I believe that if the Minister of Labour really knew that human beings are living under the conditions which I have described, he would be bringing to this committee a report which would offer some hope, a report which would do away with unemployment and with the need for agricultural relief.

Before I leave the question of food, I should like to draw attention to the fact that in appendix 6 of the report presented by the royal commission on dominion-provincial relations, attention is drawn to the fact that there is a wide variation in the amounts allowed in various parts of Canada for food. On page 23 of this report the commission say:

Great hardship is caused by a tendency in some places to cut groups of unemployed persons off relief on technical grounds without making any other provision for them.

Mr. McLARTY: I do not wish to interrupt my hon. friend, but he knows that the allowance which is made in each case is determined not by this government but by the provincial government.

Mr. NICHOLSON: Quite so, but I want to point out that it is important that the dominion government place the funds at the disposal of the provincial governments. I imagine that these reported cases of hardship from Saskatchewan have come as a direct result of an intimation from this government that the necessary financial assistance will not be forthcoming.

Mr. McLARTY: No such intimation has been given.

Mr. NICHOLSON: May I ask the minister if there is likely to be any reduction in the appropriation for relief for Saskatchewan for the current year?

Mr. McLARTY: I cannot answer that question offhand. There are general reductions under this act. I do not know whether there is any reduction in respect of Saskatchewan, but I might say that all these figures are agreed to between the federal government and the provincial governments concerned; they are not superimposed by this government.

Mr. NICHOLSON: May I ask the minister if any reductions have been made for, say, the month of May, as compared with the month of May a year ago, in respect to Saskatchewan?

Mr. McLARTY: I shall be glad to let the hon. member have an answer to his question. I do not think there is any reduction.

Mr. NICHOLSON: My information, which comes from Saskatchewan papers, is to the effect that the allowance had been cut approximately in half. Certainly a dispatch such

as the one I read from the town of Canora indicates that the money is not available in Regina; and if the money is not available in Regina, it is because the grants from the federal government have not been forthcoming in sufficient amounts. If the minister will supply definite information, I shall be glad to have it from him.

May I refer now to the problem of education. As everyone knows, education falls within the jurisdiction of the provincial governments, but the amount of money made available for relief in a province has a definite relation to teachers' salaries and to educational needs in the province. I have before me some pictures of educational interest. I hold in my hand a photograph of one of the many new schools in my constituency. It was built with a $200 cash grant, no more. Someone has suggested that we should float bonds or sell debentures. There is not a financial institution in Canada which would consider accepting debentures on these schools. This is a school on which $200 has been spent, which sum had to provide for all the windows, the doors, the brick, the hardware, the desks and equipment. Think of it, Mr. Chairman—the educational needs of a great country being met in such a manner.

I have before me a memorandum here in connection with one of the schools in my constituency, where the department, in a very generous moment, granted $300. But there were two schools to be built in this district. This is a district in which the people are being reestablished under what is described as an ideal plan. Those from the drought area and from our cities are being reestablished under the northern settlers' reestablishment plan, and the sum of $300 has been provided for the building of two schools.

An hon. MEMBER: Is it suggested that the dominion government should grant $300?

Mr. NICHOLSON: No. Education falls within the jurisdiction of the provincial government, but the appropriation made available by the federal government for relief assistance has a direct effect on the educational needs of that particular area. Here is a school district where $300 was appropriated for two buildings. The people who have been living in this district since 1937 are being reestablished. The minister laughs.

Mr. McLARTY: Was the hon. member referring to me? I was not laughing at anything he was saying.

Mr. NICHOLSON: It is no laughing matter.

Mr. McLARTY: I was not laughing.

[Mr. Nicholson.]

Mr. MARTIN: It is no laughing matter for anyone in this house. Do not take that attitude.

Mr. NICHOLSON: I am making serious suggestions and I would appreciate it if the minister would listen.

Mr. McLARTY: I have been listening most attentively.

Mr. NICHOLSON: In this school district seventy-six children are denied the right to go to school. The matter was taken up with the Department of Education in February, and I have a letter from the department dated May 31 to the effect that the report from the superintendent would indicate that both schoolhouses were then nearing completion and would be in operation at an early date. On May 31 the schools were not in operation.

I have two or three letters from school teachers in my constituency. They give a picture of the problems of the rural school teacher in northern Saskatchewan. One teacher writes that a new floor is needed, that there are no blinds in the school and that books are needed badly, and she cannot get them herself because she cannot get any money. She says that there is no well by the school, nor are there are any proper water tanks. She says:

> The teacherage is very draughty. There is no fire extinguisher in school or house. The chimney in the teacherage is falling to pieces. The four municipalities together owe this school one thousand dollars but the board is unable to collect it.

Here is another letter.

The CHAIRMAN: I wish to remind the hon. member of the rule governing debates in committee. I am not trying to limit discussion, but maintenance of schools is primarily a question of provincial jurisdiction; nothing contained in the resolution can be applied to remedying the condition complained of. Therefore any reference to the condition of schools or to hardships of the kind depicted, whether well founded or not, must be ruled out of order as not being germane to the subject matter under consideration.

Mr. NICHOLSON: I have already twice explained that these matters are not under the direct supervision of this house—

The CHAIRMAN: And therefore the hon. member is out of order in reading a communication from a teacher complaining of the condition of a school building or its equipment. The resolution is directly concerned with unemployment relief.

Mr. MacINNIS: Mr. Chairman—

The CHAIRMAN: The hon. member for Mackenzie (Mr. Nicholson) has the floor at the moment, and I am pointing out to him the scope of the resolution.

Mr. MacINNIS: But you are limiting the discussion unduly, Mr. Chairman.

The CHAIRMAN: I am not limiting the discussion; I have not called the hon. member to order. It is, however, my duty as chairman of the committee to confine the discussion as far as possible to the subject matter before the committee. The rule is clear. I have been as lenient as possible and I am willing to allow a great deal of latitude, but when an hon. member reads a letter from a school teacher complaining about the equipment of a school, I must rule that the reading of such a letter is clearly out of order.

Mr. MacINNIS: But there is a point of order.

The CHAIRMAN: I have given my ruling; the hon. member is out of order.

Mr. NICHOLSON: I have pointed out that the amount of money voted by the government for relief in Saskatchewan has a direct bearing on the educational needs of the people whom I represent.

The CHAIRMAN: It is too far-fetched to be in order.

Mr. COLDWELL: I submit that it is an indication of distress, and we are discussing distress in Canada.

Mr. MARTIN: It is distress that we cannot deal with.

The CHAIRMAN: I am quite willing to allow considerable latitude, but I must exercise some discretion and keep the debate within reasonable bounds.

Mr. NICHOLSON: In my opening remarks I said that I wished to speak to the resolution providing assistance in the alleviation of unemployment and agricultural distress, and my remarks have been entirely with a view to informing this committee of the problems arising from agricultural distress in my constituency. I submit that if my people cannot receive sufficient relief, their educational needs are greatly affected. I was reading a communication from an area where the people on relief are not able to give their children and the teachers the benefits they should receive, and I thought the minister would like to know about the matter. I understand I am not permitted to read these communications.

The CHAIRMAN: No; except in so far as they relate to the measures proposed for unemployment; relief that is, the subject matter of the resolution before the committee.

Mr. NICHOLSON: I will not read any further, but I will refer to the living conditions. Let me refer to one home where the people are on relief and where the teacher boards. This lady says:

> I have had to put up with various insects, the worst being bedbugs and fleas. I've only wooden boxes to furnish my room and a stool. Have had to wrap myself up in the evenings while reading or doing any other work to keep from freezing.

Before concluding, I should like to discuss another matter that has a direct bearing on the question of agricultural distress. I refer to medical services. I have before me a communication from the deputy minister of public health of Saskatchewan with respect to provision for medical services. He says:

> Arrangements will be made with the physicians residing in these areas to provide the necessary medical care to persons requiring the same. However, the people will be expected to pay what they can towards these services, whether it be the whole amount or only a part.

I might mention that this communication has been sent out by the deputy minister to call attention to the fact that necessary assistance with respect to medical services will not be continued in future. The opening paragraph says:

> It has been decided that after May 1, 1940, the department will not provide medical services to all relief northern settlers and residents of the local improvement districts in the northern area as has been during the past few years.

He points out in connection with hospital services that they are cutting down in connection with drugs.

Mr. McLARTY: What department is that?

Mr. NICHOLSON: The Department of Public Health.

Mr. McLARTY: Of the provincial government?

Mr. NICHOLSON: Of Saskatchewan, yes. The concluding paragraph points out that:

> It is not the intention of this department to have any person suffer unnecessarily for the lack of medical and hospital care, and this policy is not intended to work a hardship upon the people in any sense whatsoever.

I am sure some hon. members who are members of the medical profession will be interested in knowing what provision is planned for these northern doctors.

The CHAIRMAN: Again I point out that the hon. member is complaining of certain regulations made by a provincial department of public health with respect to medical or

hospital care. This is strictly within provincial jurisdiction, and it does not come within the scope of the resolution now before the committee.

Mr. COLDWELL: On a point of order, I would say the hon. member has a right to place before the committee—

The CHAIRMAN: My ruling has been given. The only remedy is to appeal from it to the Speaker.

Mr. COLDWELL: Well, I am going to challenge that ruling.

The CHAIRMAN: It is not debatable.

Mr. COLDWELL: I am challenging that ruling.

The CHAIRMAN: If the hon. member wants to challenge my ruling, he should do so in writing; otherwise the hon. gentleman has the floor.

Mr. NICHOLSON: I submit that in addition to the northern settlers requiring food and shelter they require medical service, and if this government do not make available to the provincial government the money necessary to provide those services they are failing in their duty. The question of medical services for my people is a very serious matter to me. I was going to mention the provision that is being planned for the medical doctors in my area. They are being provided with a subsidy of $25 a month.

The CHAIRMAN: By whom?

Mr. NICHOLSON: By the Department of Public Health of Saskatchewan, out of moneys part of which are supplied by this government.

The CHAIRMAN: Again I say this matter does not fall within the scope of the resolution now before the committee.

Mr. NICHOLSON: May I ask the Minister of Labour whether any money provided by this government is used in Saskatchewan to provide medical services for northern settlers?

Mr. McLARTY: Not so far as I know.

The CHAIRMAN: I point out that the resolution says specifically that it is for the purpose of supplementing measures taken by the provinces towards providing assistance to those in need. Therefore if any complaint is to be made with respect to the measures taken by the province the complaint should be addressed to the province, and does not come within the scope of this resolution.

Mr. NICHOLSON: May I ask you, sir, to interpret the expression "in need"? I submit that providing medical service is a matter which does concern this committee.

[The Chairman.]

The CHAIRMAN: If the action complained of, namely the curtailment of relief by the province, is the matter that the hon. gentleman wishes to discuss, as I assume from his remarks it is, then it is outside the scope of the resolution. This parliament can do nothing to compel any provincial department to adopt any measure. Therefore the hon. member is out of order.

Mr. NICHOLSON: All I am concerned about is having money available in order that medical service can be provided for northern settlers. According to this dispatch from the Department of Public Health in Regina, money is not being made available. If the provincial government is not going to provide it, I want to see that the money is provided, and I submit that on that allowance of $25 a month to be expected to give medical service to people in widely scattered districts is an insult to any doctor. One doctor said: "As far as I am concerned I can pull up stakes; I can go elsewhere." We have only a handful of doctors serving my constituency, with over fifty thousand residents. That condition is a direct result of the people living there not having the financial resources to enable them to support a doctor. And I submit that if the provincial government has not the funds available, this government should see that funds are supplied immediately.

Hon. members heard the hon. member for North Battleford speak here the other night. She said:

> I have known cases where a father or mother, with a desperately sick child at home, has had to travel twenty miles or more in sub-zero weather, not to fetch a doctor but like a whipped dog to beg of a relief officer in an endeavour to obtain a permit to get a doctor to look after that child.

I say it is a disgrace to have a statement like that placed on *Hansard* without anyone rising and saying it is untrue. No hon. member has risen in his place to challenge the accuracy of that statement. If it is true, hon. members should lose no time in seeing that such conditions are rectified.

Mr. TRIPP: The hon. member has challenged other members of this house to get up and deny certain statements. I want to deny some of the statements he has made here to-day. I was a member of the legislature in Saskatchewan for eight years, four of them being from 1934 to 1938, and I can say all the statements he has made to-day are not true.

Mr. DOUGLAS (Weyburn): Is the hon. member proud of the mess in Saskatchewan to-day as the result of the actions of some of his associates?

The CHAIRMAN: Order.

Some hon. MEMBERS: Sit down.

An hon. MEMBER: No hon. gentleman has a right to say "sit down" to a member of the committee.

The CHAIRMAN: Order. When the chairman is standing hon. members must sit down.

Mr. NICHOLSON: Have I not the floor?

The CHAIRMAN: No. What has just developed proves the wisdom of following the rules of debate. The hon. gentleman (Mr. Nicholson) who is a new member, has been given much latitude since he began his speech. I interrupted him once or twice because I thought he had exceeded all reasonable bounds. He then challenged other hon. members of the committee. That is out of order. An hon. member when making a speech may state facts or submit argument, but cannot challenge other hon. members. When he does, the result is just what has taken place—other hon. members take up the challenge. I am saying this only for the purpose of calling attention to the wisdom of following the rules of debate. I have been rather lenient to new members in this and other debates in order to assist them and enable them properly to develop their argument. But hon. gentlemen should read the rules of the house and try to adhere to them as closely as possible, because they are based on a great deal of wisdom and experience.

Mr. COLDWELL: I rise to a point of order. The hon. member for Assiniboia (Mr. Tripp) said just now that the statements of the hon. member for Mackenzie (Mr. Nicholson) were not true. The hon. member for Mackenzie is now bringing forward evidence to prove the truth of his statements; and since he has made them on his responsibility as a member of parliament, I would suggest that the hon. member for Assiniboia be asked to withdraw his remarks.

The CHAIRMAN: I am in the hands of the committee, but I suggest to hon. members that we should consider the incident closed. A challenge was made, which was out of order. A few remarks have been made from here and there, which might also be considered out of order, but which were prompted by the challenge. Therefore I think it would be the better part of wisdom to consider the incident closed.

Mr. NICHOLSON: I am not pleased at the prospect of having in *Hansard* a statement to the effect that what I said was untrue.

The CHAIRMAN: This is a contradiction as to facts.

Mr. NICHOLSON: Exactly, and I am prepared to support my statement.

The CHAIRMAN: It is not a direct statement that the hon. gentleman, speaking from his place in this house, said something untrue deliberately to mislead the committee. That would be out of order. But if what is believed to be a fact is stated to the house and its accuracy is challenged by another hon. member, that is a different matter.

Mr. DOUGLAS (Weyburn): May I ask, Mr. Chairman, if you are speaking for yourself or for the hon. member for Assiniboia? That hon. gentleman did not say whether he called into question the veracity of the statement or the veracity of the hon. member.

The CHAIRMAN: The incident is closed. The hon. member for Mackenzie has the floor.

Mr. NICHOLSON: I should like the hon. member for Assiniboia to have an opportunity either to repeat or to withdraw his statement.

Mr. TRIPP: I suggest that the hon. member was out of order in issuing his challenge. If he will withdraw the challenge, I will withdraw my remarks as well.

Mr. NICHOLSON: Very good; then I withdraw the challenge.

Progress reported.

On motion of Mr. Lapointe (Quebec East) the house adjourned at 5.55 p.m.

Thursday, June 6, 1940

The house met at three o'clock.

EUROPEAN WAR

PETITION URGING UTMOST EFFORT BY CANADA IN AID OF EMPIRE

Mr. J. H. HARRIS (Danforth): Mr. Speaker, I beg leave to present a petition to the honourable the House of Commons in parliament assembled, signed by members of organizations called to a general meeting consisting of the aldermen of the city of Toronto, the local members of the legislature, public school trustees, separate school trustees, the Liberal association, the Conservative association, Beaches Lion's club, East Toronto Lion's club, Beaches Business Men's association, Danforth Business Men's association, Gerrard Business Men's association, Kingston Road Business Men's association, ward 8 central council, ward 8 ratepayers, ward 8 community and ratepayers, East Danforth ratepayers, the Orange association and the Masonic order, Salvation Army, Oddfellows,

Knights of Columbus, Beaches Presbyterian church, Glenmount United, Hope United, St. Aidan's Anglican Church, St. John's church, Norway church, and Beaches Olympic club.

The petition reads as follows:

To the honourable the House of Commons of Canada in parliament assembled.

Your petitioners, the undersigned members of the Auxiliary Defence Unit No. 1 (Toronto),—Humbly Sheweth:

Whereas the present world conflict has developed on a stupendous and unprecedented scale into a life and death struggle between Christianity and paganism, which can only end in a victory for the British empire and her beloved ally, France, or else result in the collapse of our civilization and the putting out of the light of freedom as we, of the British empire, have known it since the days of Runnymede, and

Whereas this vast multitude of loyal citizens of the city of Toronto, publicly assembled for the purpose, are of one mind that Canada has not exerted her full strength in man power or material resources, in a supreme effort to meet the challenge of the nazi totalitarian state:

Therefore your petitioners humbly pray that your honourable house urge the government to put forth every possible effort, even to the utmost of Canada's man power and the resources of this vast dominion, to come to the aid of our beloved empire in this titanic struggle for the preservation of Christian democracy:

And further, before it is too late, to require the registration of all aliens in Canada, and to intern for the duration of the war, all enemy aliens or persons known to hold subversive opinions respecting the welfare of Canada, and also that the federal government take steps immediately to register the man power of Canada and to correlate the material resources of this dominion along the general plan as adopted and now in force in the British Isles.

And, as in duty bound, your petitioners will ever pray.

At this meeting there were present upwards of eleven thousand persons, who by standing vote endorsed the petition.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I did not like to interrupt my hon. friend when he was speaking, but as there are a number of new members of the house I think perhaps I ought to draw their attention to the fact that the method which my hon. friend has taken to present this petition is not the correct one. Any petition is usually presented to the clerk first, and then later it is read to the house by the clerk. I mention it because I think it is advisable that we should keep as strictly as we can within the rules of procedure.

[Mr. J. H. Harris.]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

YOUTH TRAINING PROJECT—MEDICINE HAT

Mr. BLACKMORE:

1. In the dominion-provincial youth training school at Medicine Hat, in the year 1939-40, how many male students from outside Medicine Hat were in attendance?

2. For which of these was a return fare paid at the end of the school term?

3. For which of these was the return fare not paid?

Mr. McLARTY:

1. 77.

2 and 3. The youth training agreement provides that travelling expenses of trainees from their homes to a training project and return, or from a project to certified employment, are shareable costs between the dominion and the province except that no return fare is shareable for those who are discharged or who leave voluntarily. The number of individuals who had such expenses paid is not a matter of record with the dominion.

MELFORT, SASK., EXPERIMENTAL FARM HERDSMAN

Mr. WRIGHT:

1. Was one James Duffin employed as herdsman at the Melfort experimental farm?

2. If so, for how long?

3. Has he been dismissed, and, if so, what was the reason for his dismissal?

Mr. GARDINER:

1. Yes.

2. October 17, 1938, to May 31, 1940, inclusive.

3. Yes. Services unsatisfactory.

ROYAL CANADIAN NAVY—TRAINING SCHOOLS FOR OFFICERS

Mr. ROSS (St. Paul's):

1. Have any other training schools for officers of the Canadian navy similar to the one at Kingston been established?

2. If so, where, when were they opened, and how many have been graduated from each of them?

3. How many of such graduates have received appointments?

4. To what rank are they appointed on graduation?

Mr. ROGERS:

1. No.

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

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF NATIONAL DEFENCE—PURCHASE OF FOODSTUFFS

Mr. CARDIFF:

1. Did any agreement exist between the Department of National Defence and any of the Canadian meat packing firms as to the prices for foodstuffs to be delivered to the Department of National Defence, for the six months period beginning April 1, 1939?
2. Did this agreement remain in effect after Canada's entry into the war?
3. Has any claim for increased prices been made by anyone for goods furnished to the Department of National Defence from the date of Canada's entry into the war until the expiration of the six months period above mentioned?
4. If so, to what amount?
5. Have such claims, if any, been paid?

FLYING CLUB FACILITIES FOR TRAINING AIRMEN

Mr. BROOKS:

1. How many aero clubs in Canada offered their facilities to the government for training airmen since war started and what are (a) their names, and (b) location?
2. With what clubs were contracts made and quotas assigned, and what are (a) quota of each, and (b) number of pilots trained?

RADIO BROADCASTING

NEWS SERVICES—CANCELLATION OF PERMITS TO BRITISH UNITED PRESS AND TRANS-RADIO NEWS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, will the Minister of Transport (Mr. Howe) inform the house why Trans-Radio news broadcasts are to be prohibited over Canadian stations? Does the minister consider that the cancellation of contracts with this friendly news service will encourage confidence in the official Canadian Broadcasting Corporation news bulletins?

Hon. C. D. HOWE (Minister of Transport): My hon. friend was good enough to give me notice of this question, which notice reached me only a minute or two ago. It is not my understanding that Trans-Radio news has been prohibited. The matter is one that was dealt with by the board of governors of the Canadian Broadcasting Corporation at their meeting last Saturday, and the information that has reached me is that both the British United Press and Trans-Radio news service have had their permits cancelled as of July 1 with the understanding that if they can show before that time that their news source is accurate, new permits will be issued. There are three sources of news in Canada, the two organizations I have mentioned and the Canadian Press. There has been some trouble over news being put out in an unduly alarming form and many complaints have been received from radio listeners in this connection. There has also been difficulty in ascertaining the exact ownership of Trans-Radio news. The owners are believed to be two gentlemen in the United States. This organization puts out bulletins with a London date line, but we have not been able to find its London offices or London sources of news. All these matters are to be examined into and if these organizations can show their bona fides, permits will be restored.

Hon. R. B. HANSON (Leader of the Opposition): These news bulletins have to pass the censor here, do they not? Does the Canadian Broadcasting Corporation constitute itself a censor of British news, through whatever channel it may come?

Mr. HOWE: As a matter of fact the news is not censored before it is issued. Trans-Radio news comes in over the radio to the different distributing points. I am not suggesting that it would not be possible to censor this news, but as a matter of fact the machinery does not operate in that way. The particular station is held responsible for the news it broadcasts, and is responsible to the censor if alarming or untrue statements are put out. The censor does not attempt to censor news coming from legitimate sources in London and elsewhere. This would not be done in any case unless we had reason to believe that messages were being put out under a London date line which did not originate in London.

Mr. HANSON (York-Sunbury): That is another thing.

CANADIANS IN ENGLAND

QUESTION AS TO STATUS WITH RESPECT TO ENLISTMENT

On the orders of the day:

Hon. NORMAN McL. ROGERS (Minister of National Defence): Yesterday the hon. member for Broadview (Mr. Church) put the following question to me:

Can Canadians, who were domiciled in England at the outbreak of war, enlist over there in the Canadian forces as they did in the great war?

I may say that the policy with respect to enlistments in England has been based upon the following considerations:

(a) There are many non-permanent active militia units who have not yet been represented in the Canadian active service force.

(b) Training centres are localized in Canada.

(c) Voluntary enlistment in Canada exceeds the vacancies available.

Canadians who are permanent residents of Great Britain have not yet been made eligible for enlistment in England with the Canadian forces. There have been exceptions to this in the case of a number of individuals possessing special qualifications for a particular appointment where alternative suitable appointees were not readily available. The question of wider enlistments is receiving the attention of the department.

NATIONAL DEFENCE

ESTABLISHMENT OF PERMANENT RECRUITING STATIONS—PRELIMINARY TRAINING IN PLACE OF ENLISTMENT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I suggested the other day to the Minister of National Defence (Mr. Rogers) that efforts should be made to open recruiting offices in the northeast portion of New Brunswick. I understand that that suggestion is already in effect. I have received word from Campbellton to the effect that there are a substantial number of recruits there. It is requested that they be permitted to do some preliminary training in the town of Campbellton, instead of being rushed off to some other part of the province or possibly to Aldershot, Nova Scotia. Could the minister tell me upon what principle this thing is handled? Are orders given by the district officer commanding, or is he directed from Ottawa?

Hon. NORMAN McL. ROGERS (Minister of National Defence): Instructions go out from the adjutant general to the district officers commanding. I have no information on the particular matter raised by my hon. friend. I appreciate the importance of having early training done in the localities in which men are enlisted, and I shall be very glad to look into the matter.

VETERANS HOME GUARD—USE OF ARMOURIES FOR ORGANIZATION AND TRAINING

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I should like to direct a question to the Minister of National Defence (Mr. Rogers) which is somewhat similar to the one just asked. I have received resolutions from local branches of the Canadian Legion, particularly the ones in Moosomin and Indian Head in Saskatchewan, asking that as far as possible armouries in the province which are now closed should be opened and used in organizing and training the veterans home guard. They ask also that these units should be properly equipped for emergency. Is the minister giving any instructions along these lines?

[Mr. Rogers.]

Hon. NORMAN McL. ROGERS (Minister of National Defence): I shall be glad to take note of this question. My hon. friend will realize that the armouries that might be opened would probably be in places where units of the veterans home guard would be localized. I shall be glad indeed to see if this suggestion can be carried out.

ALLEGED REFUSAL TO REEMPLOY MEN SEEKING ENLISTMENT

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to ask the Minister of Labour (Mr. McLarty) if he has been notified that the management of the Drummond mine at Westville, Nova Scotia, is refusing work to employees who lost time endeavouring to enlist? As a result the mine is idle. What immediate action does he propose to take to enable these men to resume their proper employment?

Hon. N. A. McLARTY (Minister of Labour): The hon. member for Cape Breton South (Mr. Gillis) was kind enough to give me notice of this question. I may state also that shortly before noon I received word from the secretary of the Canadian congress of labour along similar lines. Since that time we have been endeavouring to get in touch with the management of the mine at Westville, but without success because of an electrical storm which is now on in that district. We have been told that contact can be made in a short time. I can assure my hon. friend that every step possible will be taken to deal with the situation when the facts are definitely known.

CIVIL SERVICE SUPERANNUATION

ORDER IN COUNCIL OF AUGUST 11, 1939, TO HAVE FORCE AND EFFECT OF STATUTE

Hon. J. L. ILSLEY (Minister of National Revenue) moved the third reading of Bill No. 28, to amend the Civil Service Superannuation Act, 1924.

He said: The leader of the opposition (Mr. Hanson) asked me to get certain information and give it to the house on the third reading. He wanted to know whether the governor in council had power to pass order in council P.C. 2262, which carried out some of the recommendations of the committee that dealt with amendments to the act. I am in receipt of a memorandum from the deputy minister of justice in which he gives the opinion—begs to advise—that by virtue of section 11, subsection 3 of the Civil Service Act, the governor

in council had power to enact the provisions of order in council P.C. 2262 of August 11, 1939.

Motion agreed to and bill read the third time and passed.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—UNDERTAKINGS IN GENERAL INTEREST AND FINANCIAL ASSISTANCE TO PROVINCES

The house resumed, from Wednesday, June 5, consideration in committee of the following resolution—Mr. McLarty—Mr. Vien in the chair:

That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress out of moneys appropriated by parliament, and for such purpose to supplement the measures taken by the provinces towards providing assistance to those in need, establishing unemployed persons in employment and training and fitting suitable persons for productive occupations, and also to provide financial assistance to the provinces by way of loan, advance or guarantees out of unappropriated moneys in the consolidated revenue fund, and for the appointment of necessary officers, clerks and employees.

Mr. D. G. ROSS (St. Paul's): Last year I spoke in this house with reference to the transient unemployed in Toronto, more particularly in connection with what is known as John Frank's house, and I referred to what had been done there. There were about one hundred homeless transients who were looked after by John Frank's house and by public spirited citizens in Toronto. After they had been rehabilitated they made certain proposals to the government with respect to what might be done to continue the work of rehabilitation, but they were turned down by this government on the ground that no exception could be made. In consequence, in Toronto this year, we have again been faced with the problem of these transient young men, who might almost be called men without a country; nobody owns them, and they were forced to live in Toronto under conditions under which no one would want to have an animal live. They are certainly a fine body of young men, but they were treated terribly. This must not happen again. Some method must be devised to take care of these transients.

The same thing is true of homeless unemployed men. They do not seem to get to first base. When war was declared a good many of these transient young men came to Toronto in the hope of getting into the army. A great many of them did not even have money to get back. They had lost their jobs and for various reasons they could not get into the army. Something must be done about them; some method must be found of taking care of them. Even if the provinces will not come to their aid the government of the dominion must. I presume the same bill that we have had in the past will emerge from this resolution. There will be practically no changes. The government, under this legislation, is trying to take care of the relief situation and of agricultural distress by the back-door method; or rather, one might say, the government is trying to work from the bottom up instead of from the top down. There is no coordination in the situation.

The report of the national employment commission was brought down in 1938, but the most important of that commission's recommendations has not been touched. It will be found at page 43 of the report. The commission declare that they have finished their work, which has been in an advisory capacity, and they report that the only possible way of taking care of the unemployment situation in Canada is, in their opinion, to establish an administrative body to work in conjunction with certain local organizations and with those citizens in the various parts of the country who are community minded. That is the most important part of the report, but nothing has been done to carry it out.

How in the world can we expect to handle the unemployment situation unless we have some dominion body who will look after it? Unemployment is not merely a problem of the individual living in some particular province. He is an unemployed Canadian and he may be employed somewhere else. There is one thing further that I would touch upon here. A few figures were given with regard to the seasonal increase in the number of people on relief. I have taken a few of these figures from the report made under the act of 1939. In September, 1937, there were 100,000 heads of families on relief and in March, 1938, there were 144,696, an increase of 44,696. In September, 1939, there were 107,696 heads of families on relief and in March, 1940, there were 138,455, an increase of 30,759. Comparing 1939-40 with 1937-38, that means a diminution of only 14,000 in the seasonal increase; yet we have had a war on since September of last year, and we still have that seasonal increase of 30,000. Then as far as individuals are concerned, we have a seasonal increase of 13,000 on relief to the end of March this year. These are urban recipients. We have a total seasonal increase of 157,000 individuals on relief in the urban centres. And we have a war on!

Day after day there come to my office in Toronto literally hundreds of people who

want to know where they can get work. They ask: "Why can't I get something to do? Is there any place in Canada where I can get a job? I will go anywhere, and do any kind of work." But still they cannot get to first base. They go to the employment office, and they are put on the list. Skilled workers who have had jobs are in demand, but skilled workers who have been out of work for three to six years just cannot get anything. We are going to need more workers, and the task that confronts the government at the present time is to get these men trained so that they can do the work. This cannot be done unless there is coordination, and the administration body to which I have referred should be set up to do this job. It is just the same old story all over again: year after year we come here, and great promises are made; the unemployment commission was practically going to cure relief, and the government were going to cure it as well, but it is just as it always was. There is no method; there is no driving force behind the handling of this relief situation; money is just spent in any old way, so far as I can gather. It is just a makeshift. This is surprising to me when it is considered that the Prime Minister has told us, as one hon. member mentioned before, that we have in the cabinet the best brains in Canada; yet that "best brains" outfit have not brains enough to overcome a few difficulties.

One difficulty, the government say, is that this commission recommended by the Purvis report cannot function. Have we not an interdepartmental committee as well, formed under the Purvis report? It cannot function, we are told, because the provinces will not let it function. And the best brains of Canada at the present time are trying to handle this situation from the bottom to the top. This unemployment situation has to be cleaned up. We have got to get away from the relief business; it is destroying the morale of the people. We are letting the people down. These men and women who are so anxious to do something for Canada have no leadership whatever. The government cannot tell me, with all the things we require in this country, that if this administrative body were set up there would not be coordination between it and the heads of industry and labour. I have great faith in the enterprise of our Canadian industrialists, and in our workmen as well, but they cannot get to first base unless they have leadership. That is what is required. Something must be done, and I say to the minister that as the first step he should set up that body.

We are in a war now. There may be certain constitutional difficulties, as they call them, concerning dominion-provincial relations, but war materials have to be made; we have to see to it that these men who have been idle are trained so that they can get back to their jobs. We must remember also that the people who are going to have to make these things are people in the higher age classes. I am all in favour of youth training; it is a splendid idea, but thousands of these younger people who have enlisted and will enlist more and more as time goes on will have to be replaced by older people; and where are we going to get the skilled labour required when already we almost have a shortage of it? These men have to be trained. Before the bill to be based on this resolution is brought down we should have a clear statement of government policy with respect to this whole situation. I am afraid that the real reason we cannot get any statement of policy from the government is that they have no policy in regard to the matter. That is the answer.

Mr. ALAN CHAMBERS (Nanaimo): I have listened to what some hon. members have said with regard to non-compliance by this government with the recommendations of the national employment commission, headed by Mr. Purvis of Montreal. Hon members have before them a copy of the report made in January, 1938. Hon. members will remember that at the first session of the new parliament elected in October, 1935, in pursuance of a statement made by the Prime Minister (Mr. Mackenzie King) there was set up by this house through the National Employment Commission Bill a national employment commission which was intended to consist of representatives of labour, capital, youth, women's organizations, economic experts and so forth. The commission functioned and made reports from time to time. Several hon. members have stated categorically that none of the recommendations of this commission have been carried out. I propose to show that this statement is not quite in consonance with the facts.

The first work of the national employment commission was to find out what was the problem of unemployment in Canada, what it amounted to, how it was distributed geographically, and what form it took in the various sections of Canada. The first thing that was done, therefore—and I was glad to hear one hon. member refer to it a day or two ago—was to take a complete registration of persons on relief throughout Canada. That registration has been maintained from the time the commission ceased its work up to the present. The government, therefore, have been in a position to know continuously

since this first registration, what the unemployment situation has been, especially in regard to relief, in the various sections of Canada. Consequently it has been possible for the government and the Minister of Labour to formulate policies from time to time along the lines recommended by the commission to meet the varying conditions in the different parts of Canada.

Hon. members might like to have some comparison between the situation when the first registration was made and the situation at the present time. When the attack of the government on unemployment began in February, 1937, when the first registration was taken, some 260,000 fully employable persons of both sexes were receiving public assistance in Canada. In February, 1939—prior of course to the outbreak of the war, and two years after the government had begun their attack—this figure, by the application of the principles recommended by the national employment commission, had been reduced by some twenty-five per cent. The latest figure, that of January, 1940, shows a further reduction since the war began of about fifteen per cent for all Canada. These figures are from the director of unemployment relief, Department of Labour. This is in spite of a fifty per cent increase in registered unemployed persons on relief in the province of Quebec. I think you will agree with me, Mr. Chairman, that that makes a very big difference in the total figure for Canada.

In the report of the commission dated January 26, 1938, a national registration was recommended. I have dealt with that. They also recommended a nationally coordinated, directed and operated employment service. It is true that this recommendation has not been carried out; and I doubt very much if the employment commission expected it to be carried out when they made it, for this reason. I refer to the second section of the letter of transmission which accompanied the report, directed to the then minister of labour, the present Minister of National Defence:

> As requested by you, the commission has given consideration to the fact that the royal commission on dominion-provincial relations is investigating certain questions which have also come within the purview of the national employment commission. For this reason the commission has indicated in its report where certain action would, in its view, be contingent upon such financial adjustments as may emerge from the report of the royal commission on dominion-provincial relations.

It is unnecessary to remind hon. members that the report on dominion-provincial relations was tabled only at the opening of this session. I am not endeavouring in any sense to beg the question. The remarks of the hon. member for St. Paul's (Mr. Ross) are much to the point as to the necessity for a national employment service, but he and other hon. members of this committee will recognize immediately that such a matter is an integral part of a national unemployment insurance measure, and that to have introduced it while the Sirois or Rowell commission was sitting would not have furthered any real planned attack upon unemployment.

The next recommendation of the employment commission was the setting up of a national advisory committee, and that recommendation was carried out. I know it was carried out, because I was a member of that committee. In addition to the general committee there were two committees set up to further advise the employment commission, and since the national employment commission resigned the minister has kept the members of those two committees in touch with the plans for the reconditioning and rehabilitation of both younger and older workers. They have done this work in a purely honorary capacity, not by visits to Ottawa or anything like that.

The next recommendation is one of the greatest importance, dealing with the question of the administration of assistance in connection with the reconditioning, reemployment or employment of homeless adults. These are the transients to whom the hon. member for St. Paul's referred a few moments ago. Let us see what the government have done since 1937-38 to carry out that recommendation. First of all they recommended to the provinces a farm employment plan. It was felt that if men who had worked on farms or who knew something of that work could be shown how to obtain farm employment and assisted into that employment, at least by being on the farm they would have an opportunity to take stock of their situation. I agree that it was a temporary measure, but action was taken and the recommendation of the employment commission was carried out. The recommendation was adopted by the provinces of Quebec, Manitoba, Saskatchewan, Alberta and British Columbia. In 1936-37, forty-eight thousand men were placed on farms in those provinces, of whom 22,000 remained on the farms after the period of government assistance expired. In 1937-38 some 43,000 men were placed on the farms, of whom about 15,000 remained. In 1938-39 some 32,000 were placed, of whom about 10,000 stayed on the farms. Just here I should like to interpolate that the situation described by the hon. member for St. Paul's would not exist if the government of the premier of Ontario had cooperated with

this national government in its endeavour to take care of the transient problem in Ontario. And I should like to go further and say that if the plan for the relief of homeless, transient men in Ontario, as put forward by the Minister of Labour to the premier of Ontario, had been accepted by that province, the western provinces would not have found many hundreds of young Ontario men drifting out there, as was the case between 1936 and 1938.

In addition to the main farm employment plan there were other, supplementary plans for the provinces of Alberta, Manitoba and British Columbia, under which in 1936 some 7,000 men were placed; in 1937 some 4,500 men and approximately the same number in 1938. These supplementary plans were also open to the other provinces if they desired to take advantage of them. In addition the youth training section of the work of the Department of Labour has been open to homeless transients though they had no domicile and therefore technically were unable to take advantage of that plan. I quote from the Youth Training Act, of which paragraph (ii) of the interpretation clause states:

. . . deserving transients certified as eligible by an appropriate provincial authority. . . .

So much, then, for action along the lines of meeting the problem of homeless transient men. I would not want members of this committee to think for a moment that I consider the action taken to be completely adequate; but if I may I should like to set forth more or less exhaustively what the record indicates as having been done.

The next recommendation of the employment commission deals with the question of housing. Those who have perused the report will realize that when the employment commission began their work they found a heavy carry-over of unemployed persons from the depression and were faced with an annual increment of about 300,000 unemployed young people coming out of our places of education. On the other hand they found that with trade figures going up, employment was expanding. But they found one section of Canadian economic life in which that expansion was not taking place; that was in the construction industry. Therefore, naturally, they made several recommendations to give the building and construction industry a shot in the arm, if I may use that expression, knowing as they did and as we all know that as long as an industry of that magnitude lagged behind, a great deal of unemployment slack would remain not taken up. The government accepted that recommendation and implemented it by extending the operation of the act placed upon the statute book by the administration of Right Hon. R. B. Bennett. I am able to give the house some of the figures with regard to the implementation of that recommendation of the employment commission.

Up to May 31 of this year, 16,550 family housing units have been financed under the national housing measure, the amount of the loans being $56,000,000 and the estimated amount of construction financed about $70,000,000. The estimated expenditure for direct labour in this connection, which of course is most important since this is an unemployment relief measure, is some $27,000,000. I submit to members of the committee that this is a definite achievement.

Again, on the question of housing, I believe it was the present Minister of Labour (Mr. McLarty) who made the original suggestion at the session of 1936 that a plan such as was later introduced, namely the home improvement plan, should be instituted and put into operation. Under that plan the credit of the Dominion of Canada would be placed behind any citizen who could meet the specified regulations, and under it that citizen would be able to carry out repairs or necessary alterations to his home or to the buildings adjacent thereunto which on account of the depression he had been prevented from making.

The minister at the time accepted the recommendation and proceeded to carry out what came to be known as the home improvement plan. Up to May 31, 1940—and I am attempting to bring my figures as nearly as possible up to date—some $42,000,000 has been guaranteed on loans. The estimated direct labour cost of work done under this scheme, the assistance to tradesmen who had been either employed or unemployed, as the case may have been, amounted to $18,000,000, and the estimated man-hours of work stands at about 27,000,000.

I do not think any hon. member will disagree with me when I say that the government has implemented the recommendations of the national employment commission so far as housing is concerned. In addition to that the National Housing Act was amended by the present administration in 1938 by the addition of a section permitting municipalities to set up schemes whereby block or mass housing, commonly known as low-rental housing, might be undertaken. I agree with hon. members who say that full advantage of this opportunity has not been taken, but I believe we should continue to give credit to the government for having provided the necessary statutory authority, and I sincerely hope that hon. members may be in a position to give such advice to the government as will enable this section of the statute to become more

operative so as to provide better housing conditions in the slum sections of our Canadian cities.

The sixth recommendation of the national employment commission had to do with training and reconditioning. From the outset that was intended to operate in the field of youth. It was felt that among the 450,000 young unemployed men and women the depression had left as a legacy to the government which assumed office in 1935 there were many who were in need of reconditioning, whose weakened moral fibre and desire to struggle to obtain employment and whose lack of experience were tremendous factors in preventing them from gaining employment in what was then a rising or expanding employment market.

The government therefore accepted the recommendations of the national employment commission to proceed to carry out training and reconditioning. I should like to place before the committee some facts in this connection. Hon. members are no doubt aware that in the first instance training and reconditioning were carried out by virtue of the yearly legislation, similar to that which will be founded on the resolution we are now discussing. In 1939 owing to the success of those plans, a measure, upon which the Youth Training Act was founded, was introduced. May I tell hon. members that from 1937, when the first work of this kind was undertaken, until March 31, 1940, a total of 165,000 young men and women of Canada who had been unemployed received reconditioning training and rehabilitation.

Mr. HANSON (York-Sunbury): How many of these youths got jobs, outside of those who went into the army?

Mr. CHAMBERS: I shall be delighted to deal immediately with the question asked by the leader of the opposition. The 165,000 young men and women received training of various kinds. It has taken the form of occupational training, physical training, learnership and apprenticeship training, and so on. Forestry training also formed a part of the programme. Of the 48,000 who took training designed to provide immediate employment, 15,500 have been placed in permanent employment. I believe that answers sufficiently the question I have been asked. Under the scheme 3,400,000 days training have been given.

Mr. WRIGHT: Do those who were placed in permanent employment include men who took the short agricultural courses in the west, men who had come from farms and then returned to their farms?

Mr. CHAMBERS: No. The hon. member is referring to what is described as occupational training; those persons would not come within the figures I have just given. They are included, of course, in the total figure of 165,000, but not in the 48,000.

I am glad the hon. member asked that question, because it gives me the opportunity to tell the committee that in addition to the forms of training I have described we have also had agricultural short-course training, and agricultural training in local centres, particularly in the western provinces. All this has been done under the youth training programme. So much for recommendation No. 6.

Recommendation No. 7 dealt with public works. The recommendation of the commission was that public works programmes should be contracted. It was felt by the national employment commission, if my interpretation is correct, that to go ahead and spend large sums of money did not direct or focus the intention of the government sufficiently upon the unemployed themselves. In other words it was established by the economic advisers of the commission that of $100 spent on ordinary publics works programmes only $31 would find its way into the pockets of labouring men, and that the balance was paid for administration and, more particularly, for supplies.

Mr. HANSON (York-Sunbury): Material would be the largest item.

Mr. CHAMBERS: Yes; I did refer to supplies. In other words one might say there was a wastage of nearly 70 per cent of the $100 to be spent on public works. The national employment commission therefore recommended contraction in the expenditures on public works. The report contains the recommendation that public works when undertaken by joint agreement between the provinces and the dominion, through the expenditure of moneys supplied by the Department of Labour, should wherever possible help particularly those in need, and that the highest possible labour content per dollar of expenditure should be arranged.

I have the pleasure of telling hon. members that this policy adopted by the Minister of Labour and by the provinces in connection with the expenditure of these funds has raised the labour content of each dollar expended from 31 cents on the dollar to over 80 cents on the dollar, and that in pursuance of the carrying out of this recommendation many miles of tourist roads have been built in various sections of Canada, and many new mining areas have been opened for further development, at a crucial time in Canada's history. This has resulted from the carrying

out, by the Minister of Labour and his associates in the government, of the recommendations of the report.

The eighth recommendation of the commission had to do with agricultural relief. It was felt by the commissioners that the relief situation and the methods of handling relief in provinces preponderantly agricultural were not what they should be. The report states that the recommendation has not been implemented. We must remember that the report was made in 1938, and may I say at this time that in so far as the government has been able to implement the report, it has been implemented. The successful operation of a scheme of that kind must depend upon two parties, namely, the provincial government in question and the dominion government. Naturally the provincial government had ideas of their own on the subject. Nevertheless a great deal of assistance has been given to the three provincial governments of preponderantly agricultural provinces by virtue of the Prairie Farm Rehabilitation Act and the Prairie Farm Assistance Act, both of which have been utilized to carry out the recommendations of the national employment commission. I could give the committee figures on that, but I do not want to be too dry.

The ninth point of the commission's recommendations concerns auditing. It was felt that the old system of post auditing of relief accounts did not allow the heads of provincial governments or of municipalities to arrive at an understanding of what their policy should be, because they did not know their financial position as they should know it when called upon to make a new agreement with the dominion at the beginning of the fiscal year. The recommendation of the commission that a current audit should be set up in place of a post audit has been carried out.

Recommendation No. 10, for the organization and coordination of aid, has also been carried out in so far as it has been practicable and acceptable to the provincial governments, which, as I say, must agree to the changes suggested by the dominion government.

In addition there were several general recommendations which are not contained specifically in the schedule of recommendations but which are of importance, and upon those I should like to dwell for a few moments.

There was the question of rehabilitation through land settlement. It is mainly in the province of Quebec that anything has been done along these lines, and there some 4,000 families have been settled.

The recommendation as to the establishment in the Labour department of a women's bureau has been implemented by the appointment of Miss Alexander, of Winnipeg, as assistant to the supervisor of the youth training plan in the department, to carry out the training and reconditioning of youth.

The rehabilitation of older workers has also been carried out. In the last two and a half years some 9,000 of these older workers have received training and reconditioning.

A further recommendation dealt with the establishment of a division in the Department of Labour for extending the learnerships and apprenticeships plan. That also has been carried out by the appointment of a supervisor of the youth training plan.

That, Mr. Chairman, is a brief summary of the carrying out of the plans recommended by the national employment commission. The question has also been raised, what is the situation now that war has broken out? What is the position with regard to the mobilization of man-power? What can be done and what should be done? With regard to training persons who are unemployed to meet the demands for labour, I am sure that the hon. member for St. Paul's does not consider that he can make a skilled workman in a very short time. I also noted that he said he had great faith in the manufacturing industries of Canada. I have too, but I should like to tell the members of this committee that the national advisory committee to which I have referred, and of which I was a member, sent out a questionnaire to the organization of manufacturers of Canada, pointing out to them that with an expanding trade market it must be recognized that sooner or later there would be a big demand for skilled workers, and pointing out too that there was a great number of younger men who were then unemployed—and after all you should be able to train them better than the older men—and they were asked how about preparing for this demand before it actually came. We sent them a simple questionnaire consisting of three questions, and I should like to tell the committee what the result of that was, without any prejudice. The first question was—and do not forget that the questionnaire was sent to almost every manufacturing business right across Canada: Do you find that in your business you are facing a shortage of skilled labour? We made a composite answer of the replies received, and the composite answer was yes. They did not say that they had a shortage at that time, but rather that they were facing a possible shortage of skilled labour.

The second question was: Do you not think that something should be done in the form of training to prepare for the inevitable demand for skilled workers, which by your own admission you anticipate? The composite answer to that was yes, we do.

The third question was: Do you think that the training should be done by you in your own business, and are you prepared to do it, or do you think it should be done by the government? The composite answer of the manufacturers to whom the hon. member for St. Paul's has referred was: No, we should not do it ourselves, and no, it certainly should not be done by the government. That is a matter of record.

Although it is of little use to refer to these things, when one considers that the labour problem in the manufacture throughout Canada of equipment necessary to the war effort is largely going to be a matter of quickly adapting more or less skilled labour to mass production, I do not think the question is entirely irrelevant.

The hon. member for Peel asked why it was that in view of the large amount of war orders that have been placed in Canada there should be at the end of April a large number of persons still receiving public assistance. May I run very briefly over the unemployment situation in each province since the war broke out.

At the present time in Nova Scotia the relief figures reflect an improvement in employment. The total numbers of employable persons on relief have been reduced by between 60 and 70 per cent of the number in the previous year. In Prince Edward Island the relief totals since January have been higher than those of a year ago, owing to a change in the loan policy which has officially added 950 fishermen to the relief rolls because assistance was given in the form of loans. That is not necessarily relief. In the province from which the hon. leader of the opposition (Mr. Hanson) comes, I know that it will be a source of great pride to him to know that there have been no registered persons on relief for some time past.

Mr. HANSON (York-Sunbury): Will the hon. member allow me to tell him why? There is no relief administered by the government of the province—not that there is no necessity for relief, but they just cut them off. The cities are giving relief because they are obliged to do so.

Mr. CHAMBERS: I think the leader of the opposition will bear with me when I say that so far as reports made by leaders of the government of New Brunswick to the Minister of Labour here are concerned, there is no reference to persons on relief.

Mr. HANSON (York-Sunbury): There is no registration. They just cut them off and let them shift for themselves.

Mr. McLARTY: My hon. friend will agree that is not the fault of this government.

Mr. HANSON (York-Sunbury): I agree, but I am not suggesting that.

Mr. CHAMBERS: In the province of Quebec the situation is very different. The outstanding feature of business in the province of Quebec has been the rapid expansion in manufacturing since last fall. In March of this year there were more workers employed in the province of Quebec than at any time previously in the history of the province, although this month is not usually a busy month. Textiles, pulp, paper and mining are all showing an increase in the number of workers engaged.

Mr. DOUGLAS (Weyburn): If that statement is correct, would the hon. member explain why the number of people receiving relief in the province of Quebec has increased?

Mr. CHAMBERS: I do not mind being interrupted by the leader of the opposition (Mr. Hanson). I think hon. members will agree that I have rounded out every statement I have made so far. If the hon. member will let me complete a statement once I have started to make it, he will get his answer before he asks his question.

Textiles, pulp and paper and mining are considerably busier, but since the beginning of the war construction has fallen off quite badly. The province of Quebec relief totals are about fifty per cent higher than they were last year. This is due chiefly to the fact that large numbers who were employed on relief works became unemployed and were added to the direct relief rolls. This will probably answer the question asked by the hon. member. May I say also that more than half of the employable persons on relief in Quebec are general labourers and construction workers who would not be affected by improved employment conditions in the manufacturing industries. The situation in the city of Montreal has remained static. The fifty per cent rise in the province is not repeated in the case of Montreal, but there has been a transfer of relief workers.

In Ontario manufacturing during the first quarter of 1940 has improved considerably, averaging thirteen per cent higher than the same period last year. The sharpest increase in employment has been shown by the heavy industries, textiles and so on. There has been a reduction of about thirty per cent in relief costs as compared with a year ago. Business generally in the prairie provinces has been somewhat better, although employment has not been stimulated to the same extent by war time activity as it has been in the industrial provinces. There has been a six

per cent improvement in industrial employment in the prairie provinces and a seventeen and a half per cent reduction in the number of those receiving public assistance.

In Saskatchewan there was a large reduction in agricultural relief following the distribution of the 1939 crop. I do not want the hon. member for North Battleford (Mrs. Nielsen) to feel that I do not appreciate her point of view in this connection. I know exactly what this means. However, conditions are easier with regard to public assistance, the official improvement being in the neighbourhood of fifty per cent. Alberta relief totals have shown an improvement, the betterment being between thirty and forty per cent. The amount of relief which will be necessary in the prairie provinces during the coming fall and winter will depend largely upon the prices received for the 1940 crop.

In British Columbia, the province from which I have the honour to come, economic conditions improved considerably last fall and this improvement has been maintained to some extent. Mining and shipbuilding have been quite active and employment generally in many industries during the first quarter of this year has been more active than at any time in their history. However, we fear that a lack of shipping facilities on the Pacific coast may affect employment conditions. Fishing and agriculture are not particularly active in British Columbia during March, and there is no reasonable basis for comparison. Taking the province as a whole, there has been a twelve per cent decrease in relief during March as compared with the previous period.

Mr. C. E. JOHNSTON (Bow River): Mr. Chairman, I do not intend to deal with this resolution at great length, but I feel I must say a few words before it is put through. The resolution reads in part:

> That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress out of moneys appropriated by parliament, and for such purpose to supplement the measures taken by the provinces towards providing assistance to those in need.

In this critical time in the history not only of Canada but of the British empire, it is almost an insult to our intelligence that there should be a resolution on the order paper to provide assistance to one of the greatest industries in Canada, an industry which is most essential to the proper prosecution of the war. The resolution proves that the people of this country are in need of financial assistance and are in dire distress. We must do everything possible to carry this war through to a successful conclusion. Everything must be done with that one object in view.

[Mr. Chambers.]

When we consider the agricultural question we should keep in mind the fact that it is necessary to assist this industry in a way that will help to win this war all the sooner. In my opinion we cannot win a war when the greatest industry in the country is in distress. You must have a united people to win a war.

At the beginning of the war it was said by some members that we were not fighting the German people, that we were fighting a dictator. I said that I did not agree with that statement; I said that we were fighting the German people. It has been my conviction from the first that we were fighting the German people. The German people are fighting for an ideal. In our estimation that ideal is entirely wrong. We contend that it is a heathen nation which is fighting a Christian nation. But they have organization; they do not have discontent in their ranks. In order to meet them we must face this fact squarely, that we cannot have a proper military organization with a dissatisfied agricultural industry. Why have we a discontented agricultural industry? The people in this industry are dissatisfied because they are faced with economic insecurity.

You cannot have people fighting for a country who have dissatisfaction in their minds. You cannot expect an army to be successful when it is made up of volunteers who have been forced into it because of economic conditions. You cannot force people to fight; they just will not do it. But if you can set an ideal before them and show them that they are fighting for something worth while, then you will have men who cannot be beaten. Our army is made up possibly to the extent of seventy-five per cent of men who have been forced into it because of economic conditions. As was pointed out not so long ago by a speaker in this house, with the exception of the war industries, industry generally in Canada is shutting down. This forces men into the army. They are not volunteers in any sense of the word; they have been forced in because of economic conditions. We cannot hope to wage a successful war under the conditions that prevail. We must see to it that there is neither unemployment nor agricultural distress and that it is not necessary for us to supplement measures taken by the provinces towards providing assistance to those in need. That is what this resolution proposes, and the very resolution tells us that the whole economic system is wrong.

I am surprised to hear Conservative members telling the government that they should do something about unemployment and agricultural distress. What did they do in the five years they were in power? Not a bit more

than the Liberal government has done in the same length of time, and possibly not as much—and I am not saying that the Liberal government has done much either. I know that it has not tackled the problem in the way in which it should be tackled; otherwise there would be no need of this resolution on the order paper. The only thing I can remember the Conservatives doing was advising the people to tighten their belts, and the Liberal government is doing the same thing when it extends a little bit of measly relief to the needy. That sort of thing creates dissatisfaction. It creates unrest in the minds of the people, the very people we want to fight for us to-day. It creates a want of confidence in the government. These people might well ask themselves, as I have too often heard: "Why should I fight for Canada when the country does not even give me a decent standard of living, when my wife and children are not properly fed?" You cannot expect it. I say definitely that you cannot build up an army on that kind of material. There must be satisfaction among the people, among those men who are willing to volunteer to fight for the country; they must feel that the country will properly and adequately provide for their wives and children not only now but afterwards. You must create that spirit of patriotism, because you cannot force it.

I was impressed by the remarks of the hon. member for Mackenzie (Mr. Nicholson) the other day. In my opinion he produced evidence that could not be disputed. He had actual photographs—and the camera does not lie. The hon. member for North Battleford (Mrs. Nielsen) also gave a perfect picture of the conditions that exist in her province. I know that the conditions are exactly as they have been described, because I had an opportunity to visit the country around Swift Current in the last election in that province and I saw what things were like then. I saw the distress and poverty that existed in that province; and despite the remarks of the hon. member for Assiniboia (Mr. Tripp), as reported at page 554 of *Hansard,* I declare that the conditions that have been reported are not at all exaggerated. The hon. member said:

> I was a member of the legislature in Saskatchewan for eight years, four of them being from 1934 to 1938, and I can say all the statements he has made to-day are not true.

I hope the people of Saskatchewan will read those words in *Hansard.* I challenge any man from Alberta to make any such statement, because we know that the conditions are there.

Mr. DONNELLY: In Alberta or Saskatchewan?

Mr. JOHNSTON (Bow River): In Saskatchewan too.

Mr. DONNELLY: You are wrong.

Mr. JOHNSTON (Bow River): I hope you will go back and explain it to them.

Mr. DONNELLY: I will.

The CHAIRMAN: Order. Challenges are out of order.

Mr. JOHNSTON (Bow River): I was not challenging any hon. member.

The CHAIRMAN: The hon. member should address himself to the chair.

Mr. JOHNSTON (Bow River): I have no wish to offend the chair; I wish to abide by the rules of the house. I say in all sincerity, however, that if we are to win this war the government must rectify those conditions. When any hon. member stands in his place here and says that there is no poverty or distress, the resolution itself contradicts him. Either the government is wrong or the member who says that there is no distress or poverty is wrong. But one has only to visit these places to see with one's own eyes the very conditions that have been described in this house.

I have been considering the condition of those people who are in great need, as this resolution indicates, those who have been living on our farms, the unemployed who are walking the streets—and you need not go to the west to find such people, because you can find them in plenty on the streets of Ottawa. You will find the unemployed at the offices here seeking employment which they cannot get, while their wives and families are in dire distress, and yet we in this house vote $100,000 for the beautification of this city. I am not complaining about having a few flowers in the parks and perhaps decorating a little the memorial down here, though we had better pray that there are not more dates upon it soon. But does that type of legislation lead to satisfaction and unity among the people? There are people who are starving to death though we can spend $100,000 in war time for a few flowers in a few parks. I have no objection to your spending money on these flowers and these parks, but when we cannot find money for the very essential assistance to relieve agricultural distress, then I say it is a shame that we should ever be spending $100,000 for the beautification of any place, memorial or anything else until this problem is settled.

Why is it that the people of Canada engaged in that great industry, the backbone of this country, are in distress? Possibly our Conservative friends can tell us. They were in

power for five years and the distress continued throughout that time, and because that distress continued the Conservatives were cleaned out in the election. But I do not think the Liberals should pat themselves on the back simply because they were returned to power. They were returned to power under different conditions, which we need not go into in detail now. Why is this industry dissatisfied? Because farmers have not a sufficient return from the things they produce to enable them to maintain a decent standard of living. When a man gets up at five o'clock in the morning and works until ten or twelve at night, three hundred and sixty-five days a year, and cannot make enough to buy decent clothing and food for his wife and his children, has he any incentive to fight for the country? Can you build up an army with such people? And seventy-five per cent of those in the army are men of this description. You simply cannot maintain the morale.

Mr. EVANS: Does the hon. member say they are not loyal?

Mr. JOHNSTON (Bow River): No, but I say, let us give them something to be loyal for. You cannot force patriotism. You must show a man that he has something worth fighting for. Would any hon. member say that when these people have been in such dire distress and poverty and want they have anything to fight for? They do not get sufficient return for the things they produce, yet the things they must have in order to be able to produce are ever increasing in price—machinery, oil, gasoline; everything they have to buy is increasing in price. This year we even put a little further tax on them; if they want decent seed they have to pay cash to have it tested. Everything we do tends to increase rather than decrease their costs, and nothing is being done to help them.

It must be a source of satisfaction to the people referred to in the resolution, suffering as they are from unemployment and agricultural distress, and they must swell with patriotism, when they see in the papers that this year the profits of Canadian Wineries are higher, and that the net more than covers the dividend paid of forty cents a share. Let me quote from the *Financial Post* of May 11, 1940:

> Sales of Canadian Wineries were higher in the year ended April 30, 1940, than in the 1938-39 year, A. G. Sampson, president, informs the *Financial Post*. As a result the company expects to report net profits higher than the forty cents a share earned a year ago.

Then there is another industrial company such as an hon. member was speaking of a moment ago, and in which he has such pride

—and compare them with the greatest industry of all, the agricultural industry. This is from the *Financial Post* of the same date:

> International Paper profit soars. Net earnings for first quarter rise to nearly $3,000,000. Preliminary figures indicate that operations of International Paper and Power Company for the first quarter of 1940—

And we are right in the middle of a war.

> —resulted in net earnings of about $2·9 millions against $12,428 for the corresponding period of 1939, according to a statement made by R. J. Cullen, president, at the annual meeting of stockholders.

In the *Financial Post* of June 1, 1940, I see that Agnew Surpass has made better profits in the fiscal year ended May 31, and the factory is working at a higher rate. Harding Carpets' profits for the six months' period are up from the same period of 1939. Why is it that the profits of these industrialists continue to rise to such heights in time of war while agriculture is down in the mire? It just doesn't make sense. Yet there were to be no profits or blood money in this war! I agree there is going to be no profit—

Mr. HOMUTH: That may not be on war work.

Mr. JOHNSTON (Bow River): Oh, I can speak of the war industries, and I intend to do so before the session closes. How do they make their profits? I hope to have the pleasure of going into that more in detail on the estimates. Hon. members say it is not war work. I happened to visit not long ago some of the industries that produce war materials and I learned that the government, when they agree with the manufacturers on a price, have an understanding that if the company can cut the cost of the article they get a bonus on it as high as fifty per cent. Why should they be given an extra profit of fifty per cent? The farmer is not given any bonus. Why not? Why are these other industries which are not producing war materials shut down and the people thrown out of work? Where are they to seek employment? Yet we bonus the war industries fifty per cent if they can chisel the cost down a little. We shall have more to say about that when the proper time comes. These are the things that create a clear class distinction between industrial organizations and the agricultural industry. We should be giving a great deal of attention in an endeavour to correct this wrong. I read in the Ottawa *Journal* of June 3:

> Big programme to supply Britain food.
> Government will force farm workers to stay on land.

England wants food and wants more food; yet our people here in Canada have not even

enough money to put in the seed to raise wheat. Is that a maximum war effort? We have been in this war nine months; the very existence of the British empire is at stake, yet we have a resolution here to dole out relief instead of putting that industry on a solid working foundation. We in this country should be producing everything that we can. Why don't we? No doubt some hon. members are saying: "Where are you going to get the money?" I do not care where you get the money from, but get it.

An hon. MEMBER: How?

Mr. JOHNSTON (Bow River): Oh, Mr. Chairman, here we are, an intelligent House of Commons—I hope—assembled here for the purpose of carrying on this war and other business. We have the material in this country, we have the men anxious to work, yet some hon. member asks, how are you going to get the money? Well, let us issue money through the Bank of Canada in terms of public need. If you turn a herd of hungry hogs loose in a wheat field—I used this illustration in my campaign—when they have the desire and the food is there, they will at least know enough to eat it. I wonder sometimes whether the people of Canada have as much intelligence.

Mr. HANSELL: The hogs do not have any parliament to legislate for them.

Mr. JOHNSTON (Bow River): There may be something in that, and they do not have to follow rules and regulations; the material is there, the desire is there, and so they eat. We have the material, we have the men, and Great Britain is pleading for the products, yet we say, where are you going to get the money?

Mrs. NIELSEN: What about taxing these big corporations that are making the big profits?

Mr. JOHNSTON (Bow River): An hon. member says, why not tax the big profits that are being made in this war. I have always taken the stand that there should be absolutely no profits made in war, and for the life of me I cannot understand why any man in this country—and this includes members of parliament—should get more than the soldier gets in the field. He gets $1.30 a day, with an allowance for his family. What is he doing for it? He is going to the battlefields of Europe where he may get his head blown off, his arm or leg shot off. Is there any hon. member who will say that any industrialist or member of parliament or anyone else should be paid more than the soldier gets? He is not offering as much. Yet we have the manufacturers of this country saying they would not work for five per cent profit, so that that provision was rescinded by order in council. We know what would happen at the front if when the order came to go over the top the soldier getting $1.30 a day said: I will not do it until I get $1.35. We will ask the Minister of National Defence (Mr. Rogers), what would happen to that man? Then I say the same treatment should be given the Canadian manufacturer who says he will not work for a profit of five per cent in time of war, and I do not hesitate to make that statement. They should be all on the same footing. Surely if our soldiers have enough patriotism to go over and fight for $1.30 a day, there should be a little more patriotism among our manufacturers and those of us who stay at home, who are being protected by the men who go overseas.

I certainly hope the Minister of Labour (Mr. McLarty) will see to it that something is done immediately so that we shall not have to dole out relief to the unemployed who are in dire need and to those suffering agricultural distress. The times are too serious for that. Our very existence as an empire and a nation is at stake. I do not think we should be dilly-dallying around; we should be doing everything in our power to carry on this war and bring it to a successful conclusion. When anyone refuses to do that, I would treat him as a person should be treated when he refuses to work for his country in time of need. There should be no distinction. There should be no class distinction. There should be no industrial class distinction. Everyone should be treated alike. There should be no favourites. If what I suggest is carried out, we shall have a contented and happy people; we shall not need to force them to patriotism; they will have something worth while to fight for.

Hon. H. A. BRUCE (Parkdale): The problem of relief is, to a large extent, the problem of unemployment. If every able-bodied person in this country were gainfully employed, there would be no problem of relief. Yesterday the hon. member for Peel (Mr. Graydon) quoted from the report of the dominion commissioner of unemployment relief and gave figures showing the appalling, steady increase in unemployment since the beginning of the war. These figures were convincing evidence in support of the charge of complacency and neglect in mobilizing, even partly, Canada's industries for the war effort. I assume, if I am able to show that Canadian industry is capable of building tanks and other instruments of war in a large way, it will be conceded that this will quickly absorb all our unemployed and take them off relief. Incidentally it will also

relieve the country of much of the expenditure proposed in the resolution we are considering to-day.

When in answer to questions the Minister of Munitions and Supply (Mr. Howe) stated in this house on May 28 that as yet no tanks had been made in Canada, the country was shocked. The minister made two excuses: first, the difficulty in obtaining the latest British design and, second, that the armour plating for modern tanks, 4¼ inches in thickness, could be obtained only from two or three sources within the empire. I have checked the minister's statement with men thoroughly conversant with every phase of steel production and fabrication, and they were very much annoyed at this reflection on Canadian industry. I am informed that the Dominion Foundries and Steel Limited of Hamilton have on hand machinery and plant to roll at least 3,000 tons of prime grade steel armour plate monthly. This armour plate can be produced in a wide range of sizes and in thicknesses from one-eighth of an inch to six inches, with alloys suitable for the manufacture of various types of tanks. These plates can be made in all ordinary sizes up to a maximum weight of 7,500 pounds per plate, which is ample for all practical purposes since most plates used on tanks weigh much less.

I would point out that steel armour plate two inches thick by 5½ feet wide and fifteen feet long would weigh 7,500 pounds. After being rolled, the armour plate is subjected to additional processes, including hardening, flattening and cutting to size. This company now has considerable facilities for performing these operations. Whether or not its present finishing machinery could keep pace with a programme of great magnitude would depend upon the design and specifications of the tanks undertaken to be built. Furthermore, the management are prepared to install promptly sufficient equipment to double their present capacity for rolling armour plate should orders for a large number of tanks be forthcoming from the Canadian ordnance. This plant is the only one in Canada equipped to roll heavy steel plates. The same company has a capacity for producing 2,000 tons of alloy steel castings monthly, suitable for the manufacture of tanks. The Canadian Car and Foundry Company of Montreal also have considerable facilities for the production of steel castings, and at the present time they have idle sufficient capacity for over 1,000 tons a month. Other plants also are prepared to deliver at once castings suitable for tanks.

The International Harvester company of Hamilton have plant and machinery fully equipped for the manufacture of heavy truck engines. They have no orders for the production of tank engines, but if such orders were forthcoming they could, with very little trouble, rapidly change over their production lines accordingly. It is a reasonable probability that the International Harvester company could provide motors for tanks as quickly as the bodies of the tanks could be built and assembled. However, the selection of a Canadian plant to manufacture engines for tanks will depend upon the type of engine specified. The Oshawa plant of General Motors, and other Canadian companies, are already manufacturing heavy gasoline engines in this country. The plant of the Dominion Engineering Company at Montreal is making diesel engines up to 600 horse-power. Ample diesel and gasoline heavy truck engines are also available from United States manufacturers. There is no scarcity of these engines corresponding to the current scarcity of aeroplane engines. It is not advisable to attempt to duplicate the English engine absolutely but rather we should adopt some similar engine from among those quickly available here.

Treads are made from steel castings or forgings, joined by alloy steel bars. The Canadian Car and Foundry Company of Montreal and several other foundries have ample idle plant capacity to produce the necessary castings. Atlas Steels Limited of Welland and other mills are able to produce the necessary alloy steel bars. Boring and finishing of the steel castings and general assembly of the treads could be undertaken by the Peterborough plant of the Canadian General Electric Company. The Caterpillar Tractor Company in the United States holds patents on the caterpillar tread, but arrangements could undoubtedly be made by the Canadian government to get authorization for the use of these patents.

Other operations in the manufacture of tanks, including assembly, could be performed in any one of several available factories depending upon the weight and specification of tanks chosen. The plants of the Dominion Bridge and associated companies at Toronto should be readily adaptable for this purpose.

There is also available for assembly the large and modern structural steel plant of the Hamilton Bridge Company at Hamilton. This plant is not busy at the present time and it has all facilities for the assembly, riveting and finishing of heavy and light tanks.

Also located in Hamilton is the complete modern plant of the Canadian Westinghouse company This company is suitably equipped

for the manufacture of metres, gauges, instruments, electrical systems, et cetera, and other fine assemblies necessarily incorporated in tanks.

In the interests of rapid and economical manufacture it is recommended that a modified Canadian design be evolved instead of an attempt being made to duplicate exactly any British tank. Many of the British specifications have been worked out to suit existing machinery and materials available in Great Britain; identical conditions cannot easily be duplicated here.

I am sorry the Minister of Munitions and Supply was not in his place when I commenced to speak on the subject of tanks.

If we take, for example the analysis of steel, it can be readily seen that an analysis may be specified to enable easy production from the iron ores and coals mined in England. Obviously, with different types of materials available here, there might be much difficulty in reproducing the identical English analysis. In view of the urgent need for speed, therefore, it should be the government's policy to adapt, in the Canadian design, such materials as are currently available here. Although the parts of our tanks will not be interchangeable with the parts of corresponding British tanks of the same weight; yet our tanks will be equally serviceable and valuable, and the time saved in initial production will be very great.

Using British designs as a basis, a competent group of qualified Canadian engineers should be able to work out a complete Canadian design within thirty days. The first tank should roll off production lines after an additional three or four months. Within one year production should be up to a rate of 250 tanks a month. Such a programme would require close cooperation from the Canadian government.

In a broadcast on Sunday last, Mr. Anthony Eden said:

> The vital weapon of any country is its spirit. Brave hearts alone cannot stand up against steel. We need more aeroplanes, more tanks, more guns. The people of the country must work as they have never worked before.

And yet Canada has idle factories and idle men.

The Minister of Munitions and Supply proclaimed himself as a salesman for Canadian industry. May I ask him if, acting as a salesman of Canadian products, he went at any time to England himself, to inform the British government of the industrial facilities available in Canada?

If he did not go, perhaps the reason can be found in the report of the royal commission on the Bren machine gun contract, at page 17, in the letter of the Prime Minister of Canada (Mr. Mackenzie King), of September 12, 1936, replying to a letter from Mr. Plaxton. In this letter the Prime Minister said:

> I have delayed in acknowledging your communication of August the 24th until I had opportunity to discuss its representations confidentially with my colleagues in council. I may say, in reply, that we see no reason why a Canadian firm established for the manufacture of munitions should be precluded from obtaining orders from the British government. It would be necessary, of course, to see that it was distinctly understood that such orders as were obtained, were at the instance of the firm itself and not either directly or indirectly, at the instance of the government of Canada. Any company doing business will of course be subject to any regulations or control which the government may decide to exercise at any time

In view of the Prime Minister's letter, the claim of the Minister of Munitions and Supply, to be a salesman for Canadian industry, would seem to be rather far-fetched.

Assuming that Britain has not made use of Canadian industrial production, why did Canada not show some initiative and give a practical demonstration of her independence by supplying her own forces with guns, tanks and full motorized equipment, as part of Canada's war effort, instead of placing the whole burden upon Great Britain, whose factories were already overworked in equipping her rapidly increasing army?

After the Prime Minister, on Tuesday last, had informed the house of the return to England of aeroplanes on their way to Canada, he added that these aeroplanes were ordered in April, 1939. May I ask the Minister of Munitions and Supply if he will inform the committee if at that time any orders were placed with our Canadian plants for aeroplanes?

To anyone who read an account of what happened in the Polish campaign as well as during the last three weeks, it will be perfectly clear that we must have armoured troops and tanks to protect and precede our divisions of infantry or rifle units into battle. Without tanks, masses of troops are a liability rather than an asset; they have to be fed, clothed and transported and cannot be used for any purpose except digging trenches or other work behind the line, or for occupying heavily fortified positions such as the Maginot line.

Apart from armour plate which can be obtained in Hamilton, there is no technical difficulty about the production of tanks that cannot be quickly overcome by Canadian manufacturers. Owing to the present serious situation, it is not likely that we can get British army tanks or the necessary tools to

make them. It would, therefore, seem expedient to provide for our immediate requirements by purchase from United States manufacturers or to get released from the American army a United States army tank or tanks so that the Canadian army may standardize on these rather than wait for eight or nine months for British tools, plans, et cetera. It is absurd to say that all our equipment must be British, standardized equipment—it was not so in the last war. For the first year and a half of the last war, Canadian troops were supplied with American Colt machine guns, because the British could not supply us with Vickers. It is simple enough to arrange for a supply of spare parts et cetera, in the same way as the Royal Air Force is able to supply parts for a great variety of aeroplanes, including those purchased in the United States.

I think it will be clear from what I have said that Canadian industry can make tanks. If given the opportunity, it can make anything that can be made anywhere in the world.

Canadian industry at the present time is prepared to make guns and, I am informed, is already producing guns at the Marine Industries plant, on orders from the French government.

Since the last war, our industry has grown in technical experience and skill. It has grown in size enormously, has highly skilled technicians and is making many products which, even for a number of years after the last war, were not made here. Canada is now making, in competition with the entire world, such things as motor cars, rolling stock for railways, et cetera.

It must be obvious to anyone in this house that his many duties as Minister of Transport, which include railways, canals, trans-Canada air service, meteorological services, marine and radio, and the national harbours board with which the minister is now weighted down, make it humanly impossible for him to discharge his increasingly important duties as Minister of Munitions and Supply—duties which are so vital at this time.

On May 20 the Prime Minister expressed his recognition of the difficulty. May we soon hope to learn that action has been taken and that the Minister of Transport, who recently had superimposed upon him the work of the munitions and supply board, be now relieved of that work, and that a separate ministry of munitions and supply be created. The government should be able to secure from outside this house the services of an able executive, a man with an intimate knowledge of Canadian industries and with driving force to get things done quickly—such qualities as are possessed by more than one of our industrialists.

Mr. Bevin, a Labour leader, now Minister of Labour in Mr. Churchill's cabinet, speaking in England to-day made the significant statement that since labour had been fully recognized in the reorganized British government, production had been in some instances stepped up by 100 per cent. Is this not a lesson from which Canada may very well profit?

Having regard to the imperative necessity of securing the sympathetic support and full cooperation of labour in our war effort, would it not be good common sense for the government to appoint as Minister of Labour a man who is himself identified with labour and recognized as a representative of labour.

Mr. POULIOT: Who? What man, please?

Mr. BRUCE: May I express my appreciation of the courteous way in which the Speaker drew my attention to the rules yesterday, and if it had not been for the hubbub made on the other side of the house I would have heard what the Minister of Munitions and Supply said to me, as well as the Speaker's own remarks. May I say that so far as I am concerned these personal attacks were not unexpected. During the months of February and March when I was a candidate in Parkdale I was bombarded with threatening letters from a former member of this house who for a time sat in one of the earlier cabinets of the present Prime Minister, and who by all accounts still stands high in the counsels of the Liberal party. In these letters, abuse was heaped upon my character and I was warned that, if perchance I should be elected, I would not be spared the full force of partisan anger when I reached the house. The letters seemingly were prophetic.

Mr. GRAHAM: Mr. Chairman, I want to ask if the hon. member is speaking to the motion.

Mr. HANSON (York-Sunbury): Certainly he is.

Mr. BRUCE: I should like to repeat so that members may hear me that in these letters I was warned that, if elected, I would not be spared the full force of partisan anger when I reached the house. The letters seemingly were prophetic.

Mr. GRAHAM: I ask for your ruling, Mr. Chairman.

The ACTING CHAIRMAN (Mr. Fournier, Hull): Perhaps the argument of the hon. gentleman is somewhat far-fetched, but I believe he will bring it round to the resolution.

Mr. POULIOT: Mr. Chairman, I have just one word to say to the hon. gentleman. He was speaking of points of order that were little trips to nowhere, but he was so busy reading his speech that unfortunately he did not have time to read the five o'clock papers. Here is the news.

Mr. BRUCE: I was speaking before the five o'clock papers were available.

Mr. POULIOT: Thank you, but it is never too late. This is what the five o'clock paper says:

"Quagmire" trap halts tanks—hundreds and hundreds are smashed—main forces hold after tanks meet destruction—units that fought through advance French lines cut off from their support.

So at last the German tanks are not meeting with success and hundreds and hundreds of them have been trapped. That is for the information of the hon. member. Furthermore, I would ask the hon. member where he got his technical information on the making of munitions.

Mr. HOWE: Just a word, Mr. Chairman, to clear up the misconception that I was being intentionally rude to my hon. friend the other day. I suggest that if he feels a persecution complex, it is quite unnecessary because since he came to this house he has dismissed the leader of the Liberal party, the Prime Minister, and he has just now dismissed myself.

Mr. HANSON (York-Sunbury): No; he thinks you are overworked.

Mr. HOWE: I do not wish to be controversial, but after all when we have a large and expert organization working very hard to do the things which people glibly say can be done without much difficulty we are apt to become a little heated sometimes.

The situation as regards tanks is this. Canada can undoubtedly make a tank, and tanks are made in the United States. However, we have in Europe a battle of tanks which is developing some new facts about tanks as weapons of warfare. For every tank that is invented, a gun is shortly afterwards invented to deal with that particular type of tank, and the effectiveness of tanks in the field depends upon their being proof against the latest type of anti-tank gun that has been developed. The British government have had experience in the field and it has led them to change their ideas about the effective tank for warfare of this day. Their ideas of a tank differ very widely from those of the military authorities of the United States. The remarks I have made from time to time about tanks refer to the problem that we have had in hand, the building of a tank which will meet the demands of the type of warfare that is being carried on at the present moment in the field.

The academic question whether tanks can or cannot be made in Canada depends for its answer upon the type of tank one has in mind, and I assume that a great many of the differences which have arisen in the discussions here have arisen because some people have one idea of a tank and I have in mind another idea of a tank. We can produce in this country alloy steel up to a maximum thickness of two inches. The type of tank that I have in mind has armoured steel of more than twice that thickness.

Mr. HANSON (York-Sunbury): Is that the 80-ton tank?

Mr. HOWE: No; forty tons. We produce in this country gasoline engines that would propel some kind of tank. The tank I have in mind is propelled by a diesel engine much larger than anything we have produced in Canada. It is folly to say that we cannot produce diesel engines in Canada. Canadian industry can do anything provided it is given sufficient time and development expenses. It can be done, but it may not be of much help at the moment. There have occurred within the last two or three days certain developments which have changed the situation as far as the production of tanks in Canada is concerned.

Mr. HANSON (York-Sunbury): That is good. Let us have more action.

Mr. HOWE: It is expected that a delegation from this country will leave for England by the next boat to settle this question once for all. I would ask hon. members not to be dogmatic about plants in Hamilton being able to build tanks. Even after all information is obtained and all possible help has been secured outside Canada, it will still be an exceedingly complex job for Canadian industry to build tanks. No one firm will be called upon to do the entire job. It will mean the collaboration of the heavy industries of this country.

Mr. BRUCE: I obtained my information from a mechanical engineer who is familiar with the structural steel works throughout Canada. I should like to say just a word in answer to the Minister of Munitions and Supply. He was not in the chamber earlier in the day when I commenced my remarks, and I suggest that he read *Hansard* to see what I said. I think I gave a good deal of information which may be of value to him. The minister has said that this matter depends

upon the type of tank to be manufactured. I do not care what type of tank is to be manufactured; it can be made in Canada.

Mr. FRASER (Northumberland, Ont.): What has a structural steel engineer to do with tanks?

Mr. BRUCE: The armour covering of the tank is structural steel made of a certain alloy, as I explained thoroughly this afternoon.

Mr. HOWE: I think my hon. friend's steel expert is the same steel expert that I use, except that I hired him first. Mr. C. W. Sherman was a member of the war supply board and is now the director of steel for the Department of Munitions and Supply. He has done a tremendous amount of work to help meet this problem. We hope he will be able to continue his work and produce the type of armour plate that will be required.

Mr. BRUCE: In fairness to Mr. Sherman I think I should say that he was not my informant. I do not happen to know Mr. Sherman, but I congratulate the minister upon having such an excellent adviser.

Mr. BLACK (Cumberland): I understand the steel plant at Sydney is capable of rolling 4-inch plate at short notice and of handling ingots up to thirty tons. Could that plant not be utilized to produce the armour plate required for these tanks?

Mr. HOWE: My understanding is that the total capacity of the Dominion Iron and Steel company at Sydney is being used for shipments to the United Kingdom. I do not want to be dogmatic, but I question whether that plant could roll 4-inch plate.

Mr. BRUCE: Would the minister inquire of Mr. Sherman and inform us to-morrow?

Mr. HANSON (Skeena): I suggest that the Minister of Munitions and Supply engage the hon. member for Parkdale as a tank expert. Then we might get somewhere.

Mr. P. E. WRIGHT (Melfort): Mr. Chairman, I should like to consider this resolution from the agricultural viewpoint. It reads in part:

> That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress.

The discussion I have just heard has been quite interesting, but it is hardly relevant to the situation which exists in agriculture at the present time. I cannot see where it has anything to do with the relief of unemployment and agricultural distress. I represent an agricultural constituency. I farmed in the east for a number of years before the war, and I have farmed in the west for twenty-one years since the war.

We have been told by the Minister of Trade and Commerce (Mr. MacKinnon) that our export markets are contracting, that many of the countries which previously absorbed our agricultural products are to-day in the hands of the enemy. It is expected that this year we shall have large surpluses of many commodities, such as apples, bacon, canned goods, peas, fresh fruit, and so on. Is it to be the policy of this government to let the prices of these products go so low that it will be economically impossible for the farmer to harvest his crops? Are these crops to be left in the fields to rot?

There is a potential market for many of these products here at home if the purchasing power of those on relief and of those in the lower income brackets were raised. For instance, Doctor W. C. Hopper, principal agricultural economist in the Department of Agriculture, stated in a paper presented at the meeting of the Canadian Agricultural Economic Society in Saskatoon, in June, 1937:

> If the people in Canada who had an income of less than $4,000 per year were to use the same amount of dairy products as those with an income of over that amount, we would need 200,000 more dairy cattle in Canada producing an average of 5,000 pounds of milk per year.

Similar but more extensive surveys have been made in the United States and Great Britain. All these surveys show that more agricultural products can be used in the home markets provided the people have the power to purchase. This home market is right at our doors and it should be developed. We seem to be doing our best to discourage this market by charging our people more for products than they are selling for in foreign markets. Before the war I saw an advertisement in an English paper offering Quaker rolled oats for sale at sixteen cents, whereas the same package cost twenty-five cents here in Canada. Flour, bacon, cheese and farm machinery, all produced in Canada, sell for less on the foreign markets than the cost to the consumer here in Canada.

Our home market could absorb more of these products if the people as a whole were able to afford a higher standard of living. This is simply another example of the hold which monopoly has on this country. The farmer knows that the benefit of the higher prices received for his products in Canada does not go to him. On the home market, as in foreign markets, he is forced to sell his product at a price which is often below his cost of production and is certainly below what he needs to provide himself with a decent

living. The benefit goes to the middleman and particularly the processing and distributing monopolies. These corporations have a monopoly at both ends, the buying end and the selling end, and they are therefore in a position to pay the farmer as little as they can and to charge the consumer as much as they can. This is represented quite well in the tobacco industry and in the packing plants of western Canada.

The three constituencies in Saskatchewan in which the greatest amount of reestablishment is taking place are those represented by the hon. member for North Battleford (Mrs. Nielsen), the hon. member for Mackenzie (Mr. Nicholson) and myself, so that we can speak with a little authority on what is taking place under the scheme. Last summer I spent some time in the districts in my constituency where many of the settlers who are being moved from the drought areas are being reestablished. On many occasions I became mired in the mud. On one occasion I spent twenty-four hours getting my car out and finally I got a start with a team of oxen and was thus enabled to get out. There are 209,892 miles of dirt road in Saskatchewan out of a total of 445,000 miles in the entire dominion. It is said by a writer on very good authority that 94·7 per cent of all western farms are located on dirt roads, and that does not mean gravel roads.

On the occasion to which I refer I happened to stay with one of the settlers for the night. We had for supper that night and for breakfast and dinner the next day, potatoes, bread, lard, tea and sugar. That was everything they had in the house. They had been on relief receiving $5 a month for the last two years, and this had been cut off in June of that year so that the man would be forced to go out and get a job during harvest time. The lady of the house did not look very well and I inquired about her health. They told me that she had returned three weeks before from a sanatorium in Prince Albert with instructions to live on a balanced diet including considerable milk and fresh eggs, and there she was living on potatoes, bread and tea. In addition to these two people, the only two living things on that farm were two hens, one of which laid every second day. These are the conditions in Canada in 1939. The lady was crocheting some fine needlework; and since there was only a rough board table in the shack, I knew that the needlework could not be for herself. I asked her how she disposed of it. She told me that she had been doing this work in the Prince Albert sanatorium in order to make some spending money, and she was trying to get a dozen doilies finished so as to raise money to enable her to go back to the clinic in Melfort in three months' time to see whether her cure was permanent or not. Such conditions are a disgrace to the country.

Last summer in my constituency a man collapsed in front of one of the post offices. He was picked up and taken thirty miles to a hospital. He fainted again while being taken into the hospital. The doctors examined him and found nothing organically wrong. They said that all he lacked was something to eat. They kept him a week in the hospital and then returned him to his home to starve. These frightful conditions of the people on relief are aggravated by unjust relief scales. In certain places a family of five receives $30 a month for food, while in the reestablishment blocks in northern Saskatchewan a similar family receives approximately $12 a month for food. May I quote from one of the studies made for the Sirois commission, printed as an appendix to the report:

> A basic problem of welfare in the present organization of relief is the fact that no standards have been set up. Municipalities differ in their rules regarding eligibility for relief. Great hardship is caused by a tendency in some places to cut groups of unemployed persons off relief on technical grounds without making any other provision for them. Many smaller municipalities either give no relief whatever or very inadequate relief. Municipalities generally show wide variations in the amount of food, clothing, fuel, shelter and medical care allowed. In some places no provision at all is made for clothing and medical care. Careful studies by the Canadian welfare council on the actual schedules of relief and assistance given in municipalities throughout Canada give ample statistical proof of this variation in standards.

There is a potential market in our country for a very large proportion if not all of our surplus agricultural products, and I ask the government to consider this for the welfare of the people of Canada. I have before me a report of the municipal doctor for Weldon municipality, one of the best municipalities in one of the best farming districts in Saskatchewan. I quote from what he says in the report given to the council on March 5, 1937:

> Having had the privilege of serving the rural municipality of Weldon for two years, I am more than ever convinced that undernourishment is a large factor in the cause of illness and disease. There are quite a large number of people living in certain districts in the municipality who have not an adequate food supply the year round, to maintain proper nutrition and supply nature's bulwark against sickness. If some scheme were devised whereby these people could have ample supply of staple foods the general health of the municipality should improve materially.

That is not in a reestablishment block but in one of the best municipalities in one of the best farming districts in Saskatchewan. Surely the government should give some consideration to this matter either by raising relief rates or by making necessary supplies available under some scheme such as they have worked out in the United States. A large majority of the people on relief in Saskatchewan do not want relief; they hate the very idea of relief. They want work and wages and a chance to become decent self-supporting citizens of the country. Under this reestablishment scheme, at least in the west and I believe in Ontario as well, the government have been placing many families from the city on the farm, placing them in an industry that is already producing more than can be disposed of at the present time, and spending thousands of dollars to put them in active competition with men already established in the industry. Why should the farming industry be picked out for this unfair competition? Why not let the government subsidize them to establish cooperative factories, to make shoes, clothing, farm machinery and other necessary commodities or some of the things which to-day in Saskatchewan are classed as luxuries, some of the amenities of life enjoyed in towns and cities.

A study of housing conditions in Saskatchewan as described in the brief submitted by the government of Saskatchewan to the Rowell commission, states:

> Farm houses of the prairies are much smaller than those found in other parts of Canada . . . the room space per person is less in the Saskatchewan wheat belt than anywhere else in the dominion.

That will be found at page 293. The brief also states on page 297 that of all farms in Saskatchewan, only 2·8 per cent have gas or electric light, only 1·4 per cent have running water in the kitchen, only 1·2 per cent have running water in the bathroom. I should like to take some hon. members on a trip through some of these reestablishment blocks. Families of six, eight, ten, twelve people live in little two-room shacks built of logs and mud, many of them not even shingled, with sod or rough board and tar paper roofs, rough board floors. Future citizens of this country are being brought up under conditions like that, children never knowing or coming in contact with any of the amenities of life. There are some districts without schools, others in which a year ago last winter several teachers were placed on relief because ninety per cent. of the people themselves were on relief and could not pay their taxes.

Surely it is time we in this dominion woke up to the fact that in permitting this sort of thing we are developing a cancerous growth which is sapping the life of our nation. No nation which permits within its boundaries such extremes of wealth and poverty as we have in Canada to-day is deserving of being called a nation. No nation is stronger than its weakest link. Governments continually harp on foreign markets, subject to conditions over which they have no control. Let them take off their coats, figuratively speaking, and correct conditions that can and should be corrected in this country and many if not most of our difficulties would disappear.

It is the considered opinion of this group and many others that the best remedy for our present situation is to place purchasing power in the hands of the people who are in need of the goods and can use them. This can be done only by having a definitely planned economy. Surely in this country there was no need to have 768,592 people on direct relief in March, 1940, six months after war was declared. I would reiterate what the hon. member for Rosetown-Biggar (Mr. Coldwell) said yesterday, that our great need at the present time is for a planned and concerted war effort. The financial system, agriculture and industry should be organized in such a way that their maximum efforts can be used. Right across Canada we find thousands of people asking what they can do to help in the war effort. Something is lacking when such a condition exists. Only when every man and woman are employed to fullest capacity are we making our maximum war effort. I would ask the government to make a national survey, or to organize the information which they now have, to accomplish this end. In Great Britain and New Zealand they have nationalized their war effort, and the time has come when this should be done in Canada.

Mr. L. A. MUTCH (Winnipeg South): Comparatively few minutes will suffice for what I want to say. Perhaps some of my remarks might be directed to the Minister of Munitions and Supply (Mr. Howe), but on the other hand their connection with the problem of unemployment is very real. I do not propose to spend any time in dealing with what has or has not happened in the past, the causes of present conditions, or what might have been. But at the present time throughout the length and breadth of Canada, so we believe, an effort is being made to utilize all the facilities we possess, including labour, to the greatest advantage for production.

One evening about a week ago the Minister of Munitions and Supply spoke to the people

of Canada over the air appealing for a general speeding up of industry and manufacture, asking for sacrifice on the part of those who are employed, and assistance from employers and from the public generally. In my mail a day or two later I got a letter consisting chiefly of one sentence, which read, "When is Manitoba going to be included as part of Canada?" I may be pardoned if I replied with a little bitterness, "When the budget comes down."

At the present time when factories of various kinds are expanding their capacity steadily and training inexperienced persons as new workers, it seems to us, particularly those in the city of Winnipeg, from which I come, that there is something wrong with the situation; for we have workers skilled in the various industries concerned with war who are still idle and on relief, and others who are working only part time. There will come a time after we have won this war when we shall again have a period of reorganization, and if we are not to be plunged into the difficulties which came after the last war we should give some consideration not only to quantity and speed of production but also to the organization of it, keeping in mind always the fact that the war will not last forever.

We are not giving our people an opportunity for equality of contribution to the war effort by concentrating activity in certain areas and neglecting others; that is laying up trouble for the days to come. Consequently I could not let this resolution pass without drawing again to the attention of the ministers concerned and of this committee the desirability of utilizing all the factories, particularly those presently constituted, which have skilled workers right in their own vicinity. Until such time as these have reached their maximum production, it seems a mistake to expand industries in other more fortunately situated areas. That I can say without detracting anything from my whole-hearted enthusiasm to push our war effort to the greatest possible pitch. I can say it because I do not think it possible to get the maximum returns from our people in the way of taxation or of united effort or of actual production without whole-hearted consideration being given to every section. I admit that in the time since this parliament assembled, the situation has improved very much over what it was a month or two ago. But I urge again that it be not overlooked that we should diversify production as much as possible, paying particular attention to the utilization of all the skilled labour which is already present in this dominion.

Mr. A. J. BROOKS (Royal): It is not my intention to make any extended remarks on this resolution, but there are some matters I should like to discuss for a few moments. During the past five years in which I have been in the house I have had more or less sympathy with the Minister of Labour (Mr. Rogers) and his department. I felt that he had an exceedingly difficult task, one of the most difficult portfolios in the government. But in these times, with a war on, it seems strange to me that this condition should persist. Frankly I would think that the Minister of Labour would have now one of the easiest jobs of any member of the government. I believe that if this country had been properly organized for its war effort, if during the past ten months proper organization had been carried on, there should not be in this country to-day one idle man, we should not be debating such a resolution as this but rather the worry of this country and this government should be how to obtain men to carry on the work required.

It seems to me that at a time like this we should not be having a discussion of the question of relief and unemployment. We all remember that during the last war there was hardly an idle man or woman in this country. We remember the effort and energy put forward by the government at that time and particularly how the then Minister of Militia, Sir Sam Hughes, searched out not only men for enlistment but factories from the Atlantic to the Pacific to produce something for the carrying on of the war. We know that old and young men and women all over Canada were working in our munitions factories; but now, ten months after the beginning of this war, with a crying need for equipment and more equipment, for aeroplanes and more aeroplanes, for tanks and more tanks, we have one of the worst unemployment problems that we have had to face since the beginning of the depression. And this is the case while thousands of men are walking the streets looking for work, and other thousands of men are dying in France because of lack of proper equipment. I find it anomalous that money needed to equip our forces should be spent to keep men in idleness when, with proper organization, there would be work for all and men would be earning money with which to look after their families.

As I said a few moments ago, this is a serious indictment of the organizing ability and short-sighted policy of our government. Take our enemy, Germany, as an illustration. I doubt if there is an idle man in Germany to-day. Every man not in the army, and every woman, are producing supplies and equipment for the army, and this has been

going on for the last three years. Not only are the men and women of Germany producing these supplies; the men and women of the countries Germany has conquered are also producing equipment and supplies. This indicates the strenuous effort that must be made in this and every other country opposing Germany. I do not say that we should have followed the example of Germany; but I do say that we cannot offer the excuse that we did not have a lead from other countries; and I say that, in view of what has been going on in Germany for the past six or seven years, there is no excuse for Canada being as unprepared as she is to-day. The handwriting has been on the wall; men who studied the situation should have known what was going on and what it was necessary for us to do. I remember hearing our own Prime Minister (Mr. Mackenzie King) state in this house only last September that for the past three years he had been conscious that war was inevitable and that this country might be involved in a great struggle.

It is not my intention this afternoon to deal with this unemployment situation from a general point of view. Perhaps I may be excused from doing so since many other hon. members have already particularized. I should like, however, to deal with the situation as it affects the maritime provinces in general and my own province in particular. May I preface my remarks by stating that I doubt if there is a more patriotic portion of this dominion than the province of New Brunswick. If enlistments in different parts of the dominion since the beginning of the war, particularly enlistments in the first division, are examined, it will be found that, in proportion to population, New Brunswick has done as well as any other part of Canada and better than most, with the possible exception of Ontario.

But we in New Brunswick do not desire only to do our share as far as enlistments are concerned. We are anxious also that the industry of our province should have its share of work to do. I do not think patriotism should demand of any one section of the country that it send its young men to war but that it be not given an opportunity to provide employment for those who remain at home. Industry in New Brunswick stands ready to do its part. We have hydro plants which can provide cheap power. We have facilities in the city of Saint John for shipbuilding and for the manufacture of munitions of various kinds. We have factories in other parts of the province, and we have skilled men and women who, I am sure, can carry on the work efficiently.

[Mr. Brooks.]

This afternoon the hon. member for Nanaimo (Mr. Chambers) referred to relief in New Brunswick. If the hon. member knows no more about conditions in other parts of Canada than he appears to know about conditions in New Brunswick; if the other statements he made this afternoon are no more accurate than those he made about New Brunswick, I am afraid little reliance can be placed upon his remarks. The hon. gentleman mentioned the fact that in the Hereford report it is stated that there are no registrations in New Brunswick. That is correct. If hon. members will look at appendix "C" of that report, they will see that statement made. This may seem rather peculiar to people in other parts of the dominion, and may give them the impression that we in New Brunswick have no relief problem. I should like to direct the attention of the committee to page 5 of the Hereford report, from which I quote:

> At the request of the province of New Brunswick, which has adopted a policy of not granting material aid generally but rather to require those in need of assistance to perform some form of work, an agreement was entered into with that province by which the dominion agreed to contribute fifty per cent of expenditures incurred by the province during the period April 1, 1939, to March 31, 1940, inclusive, in carrying on certain provincial undertakings.

The provincial government of New Brunswick has made the statement time and again, until it has become practically a boast, that we have had no direct relief in that province. I should like to point out, Mr. Chairman, that they make this statement when conditions in New Brunswick, as far as relief is concerned are as bad if not worse than in any other province of this dominion. Many hon. members who were here during the last session remember the observations of the leader of the Cooperative Commonwealth Federation. They will remember that from the city of Saint John information was sent to him, to the Prime Minister and to the leader of the opposition concerning conditions in that city, conditions such as almost to beggar description. Still, as I have pointed out, we have in New Brunswick a government which time and again has repeated that there is no necessity for direct relief for that province.

There are other sections in the province where conditions have been just as deplorable, but I shall not enlarge upon them at this time. The hon. member for Northumberland, N.B., (Mr. O'Brien) knows what conditions have been in his constituency; the hon. member for Gloucester (Mr. Veniot) and other hon. members from fishing constituencies of New Brunswick must know about the poverty and destitution of the fishermen along our coast. The same is true of hon. members

from Nova Scotia; they must know of the conditions under which fishermen in that province are living.

A few days ago hon. members listened to the observations of the hon. member for Cape Breton South (Mr. Gillis), when he spoke of the deplorable situation in the mining areas of his province. Large sums of money have been advanced by the federal government for the relief of conditions in New Brunswick. Hon. members representing New Brunswick have asked for assistance, and have suggested some forms of provincial undertakings. I am satisfied the federal government and the people of New Brunswick thought that the moneys made available would be fairly and equitably distributed among the people of our province who were in need. I am sorry to state this afternoon that such was not the case. I do not blame the former Minister of Labour. I know he was too busy to attend to the distribution of money throughout the province, and I am satisfied that had he been in a position to do so, it would have been fairly spent and all would have been treated fairly and justly.

The Hereford report contains the following observation respecting agreements made at that time:

> Provision was also made in these agreements, and in fact in all agreements entered into under the act, that no person other than a resident of Canada should be eligible for assistance and that no person should, in relation to his or her eligibility for said assistance be discriminated against nor favoured by reason of his or her race, religious views or political affiliations.

I believe I may state truthfully that so far as race and religion were concerned there was no discrimination, but I must say that in respect of political affiliation there has been the grossest kind of discrimination in New Brunswick for the past five years.

Most of the money allotted to New Brunswick was used in connection with work upon our highways. In order to obtain work on these projects it was necessary for men to be of the political stripe of the provincial government of New Brunswick. In order to ensure the carrying out of this understanding, a man was required to obtain a slip of paper from what was known as a contact man; and failing that, he had to obtain a slip from his member in the local legislature. No Conservative or anyone opposed to the local government could obtain even a pick-and-shovel job, no matter what his circumstances might be. What was true of work on the roads and other public works was true in respect of other employment schemes.

I turn now to the statistical section of the Hereford report, and direct the attention of hon. members particularly to appendix "C" respecting statistics of training and enrolment of trainees for the national forestry programme. In New Brunswick 309 trainees enrolled. Of this number 117 quit or were discharged and 80 found employment. The method by which these young men were selected—and I know this to be true, because I have recommended young men for enrolment under the scheme, who were refused—was this: The young men who were selected had to obtain from the local member in the county slips of paper authorizing their appearance on the roll.

I would add, further, that the young men selected were not always those in need. Some of them were farmers' sons who could have had work on farms. Others were young men coming out of school who, in many instances, were not in circumstances which warranted their being placed on an enrolment of this kind. But because they enjoyed political favour they were given the preference.

Progress reported.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

The house in committee of supply, Mr. Fournier (Hull) in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $120,005.

Mr. GRAYDON: Mr. Chairman, before the item carries, I think it would not be out of place if the minister were to give us some general idea of the present plans of the government with regard to the great agricultural industry of Canada in relation to our war effort.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Chairman, I had not intended to burden the committee with an address as lengthy as would be necessary to cover all the activities of the department in relation to Canada's war effort. Agriculture is perhaps as directly affected by the fact that the country is at war as any industry in Canada. It is indeed the first industry to be affected by preparations for war. The fact is as old as history itself that whenever, in any country, its leaders have made up their minds that they are going to make war, their first prepara-

tion is their food supplies. So far as the totalitarian states which have been responsible for bringing this war upon the world are concerned, there are no leaders of any other form of government who have taken more care to prepare their food supplies. In the totalitarian states they started many years ago, one government at least fifteen years ago and another some twelve years ago, to prepare their food supplies from within their own boundaries.

Eventually other countries against whom the totalitarian states became a threat were compelled to act similarly in order to protect themselves from the ravages of war when war came. The general result always is that a country like Canada, which by the very nature of things is a producer of surplus food products, is the very type of country first to feel the effect of the preparations that are being made elsewhere for what eventually becomes a world war. For that reason we in Canada, particularly the agriculturists, felt our whole economic system, which depends so much upon the production of agricultural products, affected by the fact that other countries were preparing for war. The fact that they were preparing has not been lost upon the government of Canada, either this government since it came into office or the previous government when it was in power. There were those associated with the agricultural activities of departments of government, and perhaps others in many of our agricultural educational institutions throughout the country, who realized six or seven years ago, and in some instances seven or eight years ago, that Canada was being affected by these preparations which were being made elsewhere, and attempts have been made to meet the situation. The government which held office in Canada during the four years prior to the last election followed the lead of all others in that direction, and perhaps emphasized that some preparation ought to be made against the threat of which the world was even then feeling the effects.

Members of the committee will recall that three or four years ago we made some preparations in the direction of reorganizing the Department of Agriculture. Five or six years ago, and for years preceding that, estimates of this department when they came before the house were in the form of appropriations for a dozen or more branches of the Department of Agriculture having to do with the various activities upon the farm. We had our dairy branch, our live stock branch, our fruits and vegetables branch, and branches dealing with animal diseases, plant diseases, and so on.

We still carry on all these activities, but we felt that special preparations ought to be made for a difficulty which might arise, and that even if it did not eventuate, preparations should be made to meet the situation created by at least the preparations for war. So we organized the activities of the whole department into four divisions, and from within the department we took three of our most capable men and placed them in charge of three divisions, and we took one man from outside and placed him in charge of what was to all intents and purposes a new branch, the marketing branch. Before war was declared, these men were making a study of the means by which we could get rid of agricultural surpluses in a world where it is very difficult to dispose of the surpluses of our agricultural industry; and in order that they might learn the facts, we established an organization in Britain itself to inquire into the agricultural activities not only of the British isles but on the continent as well. We sent an agent of the department to visit all the European countries and, as was suggested the other evening in discussing the estimates of another department, we sent an agent to all the South American countries to inquire into the possibilities of marketing some of our farm surpluses there. Trade agreements were also entered into which affected the marketing of our farm products, and our marketing activities were also enlarged.

The result was—not altogether because of what these men did or because of what the department itself did—that before the war came, we had at least as healthy a condition so far as production was concerned as we have ever had in Canada, and efforts had been made to market our surplus farm products in other countries wherever that could be done. More particularly we had been making a study of the requirements of the British market and the extent to which we could dispose of our surplus products there. When war came, we appointed the four directors and the assistant deputy minister as an agricultural supplies board to handle war supplies. When war came, as I emphasized a week or so ago when placing the records on *Hansard*, we had in Canada very considerable surpluses of

most of our farm products. As far as wheat was concerned, we had one of the largest surpluses we had ever had. Even at the present time the wheat in storage is the greatest amount we have ever had at any time in the history of the country. We have had large surpluses of pork products, and have large surpluses at the present time. We have had considerable surpluses of dairy products. Where there are not considerable surpluses, as in the case of cheese, there is a larger production of the product at the present time than there has been for some considerable time in the past.

In so far as our farmers' activities are concerned, they have been directing their attention, first, toward the production of those things which are needed in Canada and, second, toward the production of those things needed in other parts of the empire and in those countries presently engaged in war. Since the beginning of the war we have been compelled to ask ourselves what policy we ought to follow in view of the fact that we are at war. Countries that may perhaps go to war have a tendency to store food supplies. The result is that when war does occur, those agricultural countries which are able to produce surpluses sometimes find themselves, during at least the first year of war, with surpluses they are unable to market.

The question is how these surpluses are to be disposed of. Anyone who has made a study of the last war, or of any similar war which has occurred at any time in history, will realize that during the first year prices of farm products were not usually higher than they were in the years immediately preceding the war. This war has been no exception. Those who have made a study of the situation in Europe, where our products were previously sold and where they must be sold if we are to dispose of them, tell us that even before the present movement of troops occurred across the northern part of France and through Belgium and Holland, agricultural production, particularly in northern France, had tended to be much lower. Estimates were made that even though the troops did not move any more than was necessary in their preparation of trenches and so on, larger quantities of products would be be required next summer than would have been required had there been no movement of troops. The movement of men away from the farms in order to join the armed forces was estimated to have an effect upon the possible market of next year. The result will be that next year there will be a greater demand for farm products.

Because of reports that have been made and information that has been received, this question now arises: What should the farmer produce? We have been constantly saying, and we think it is the proper thing to say, that the farmers of Canada can best serve the interests of Canada and the interests of the allies by continuing to produce those staple products which they were producing before the war started. That is, in so far as they were producing wheat, they should continue to produce wheat. In so far as they were producing different types of live stock, they should continue to do so. In so far as they were producing dairy products, they should continue to produce dairy products.

There may be some difficulty in marketing some of our less staple products, such as fruit, even during the later years of this struggle in which we are engaged. There certainly will be considerable difficulty during the early years. We feel that those who have been engaged in the production of staple products should continue to produce them. Those are the products which are going to be most needed throughout the war period. After the war is over, the farmer will probably find it more profitable to produce the same kind of crop as he was producing before the war started. We have not been inclined to say to people, "Stop growing this and start growing something else," or "Stop raising this kind of live stock and start raising another kind." We have been inclined to tell them to go on doing what they were doing before the war started. If possible, they should try to do it to better effect; they should try to produce a better product and a little more of that product if they can. But they should not attempt to switch rapidly from the production of one thing to the production of another.

In connection with apples, we have been saying to those people in the Annapolis valley, along certain sections of the St. Lawrence and out in the valleys of British Columbia, who have been raising apples, some of them for the past fifty years or more, that they should still be prepared to produce in the same volume. We have gone to greater lengths to assist these growers since the war started than we have to assist any other agriculturist. We are not in a position at the moment to see an outlet for their product, that is an outlet sufficient to take care of their natural production. Therefore we have been following a policy of more or less guaranteeing some kind of market for that part of the crop which in previous years had been shipped to the British market.

During recent years we have been sending fifty per cent of our apples to the British market. The one part of Canada from which the greatest proportion of the apple crop was shipped to the British market was the Annapolis valley. If I remember the figures correctly, about eighty per cent of the Annapolis valley apple crop has been going to the British market. Only a small percentage of the Ontario and Quebec crops has been going overseas, but about fifty per cent of the British Columbia crop was exported to the British market. Our export to the British market averages about fifty per cent of the total crop of Canada. Immediately war was declared, Great Britain said that she was not prepared to take her usual importation of our apples. After some negotiation we were able to arrange that she should take about fifty per cent of her former importation.

The problem then was: What could we do with the other fifty per cent? About half of what the Annapolis valley people had been shipping to the old country was put up in cans or dehydrated. At the present time we are giving a considerable part of that crop to the Red Cross to be shipped to any place to which they think it should be shipped. This is done after negotiations with government officials in order to feed persons who would not otherwise be in a position to buy apples in any form. It is intended that many of these apples be shipped to countries where refugees are being kept in order to help to feed them. A certain arranged price was paid to the producer. We want to move these apples out of the way before the next crop comes on, and we are now offering a further quantity of them to organizations like the Red Cross in order that the apples may be shipped out of the country. We think this method of disposal is preferable to the less expensive method of simply taking the apples and destroying them.

Some one might suggest that there are people in Canada who could eat them, and we are making some provision to give them away where they are needed. Last fall we gave away $87,000 worth largely in Saskatchewan, some in Alberta and Manitoba, and in the previous year we gave away $300,000 worth of food. This year we are making provisions for the same thing in connection with processed apples. Generally speaking, that is the policy we are following in relation to the war effort. We are keeping track of what is being done in every part of Canada and of the requirements in other parts of the world. We hope to be able to give direction, if at any time it will help in the prosecution of the war or in the conduct of agriculture, advising the farmers to branch out from some line they are now pursuing into something else if it will serve the interests of the allies.

Mr. TUSTIN: As regards the canned apples that are now being marketed, is the government paying a subsidy to the producers?

Mr. GARDINER: Last year we took all the apples that could not be marketed locally or on the British market, gave the producer a price for them and paid for their processing. They were largely Nova Scotia apples. On May 15 of this year we took over from the processors all the apples they had been unable to sell. We are attempting to market them in Canada and elsewhere, and to the extent that we are unable to do so we intend to give them away by the method I have described. To the extent that we have a loss, I assume it might be said we paid a subsidy.

Mr. TUSTIN: I understand that a good many of these apples are being marketed in Canada at a price much less than that at which the Ontario processor is offering his stock. Is the government selling at a lower price, or is it subsidizing the processor?

Mr. GARDINER: To date no apples have actually been placed on the Ontario market or on any other market by the government. We took over apples as late as May 15. Any apples sold on the market to date were put on the market by those who owned them up to that time—the processors. We have not put any apples on the market. The matter which has brought the question to the hon. member's mind is, no doubt, this. Two or three weeks ago we were discussing with the chain store people and the retailers generally the possibility of putting on the market, at a lower price, the canned apples which we have, but after discussions we came to the conclusion that there were some difficulties in the way, and nothing has been done along that line.

Mr. HATFIELD: Who was sent to South and Central America to make the survey?

Mr. GARDINER: Mr. H. S. Arkell, who has made a report which any member may read if he so desires. It is in printed form.

Mr. STIRLING: I had intended under the marketing item, to offer certain observations with regard to the whole question of marketing; but since the minister, in his interesting account of the general problem, has referred to the matter, perhaps I may discuss it here. The difficulty which confronts the fruit grower in Canada to-day is the one to which the minister has referred, that of taking care of what in the past had been sent to export

markets, not solely but principally the British market. The assistance which the government has given has been appreciated by the producers, particularly in the recent convention which was held, when fruit growers from all the producing provinces of Canada met the minister and discussed their problems with him. Their efforts have, I believe, met with considerable success. Would the minister be disposed to describe rather more closely the arrangement which the government came to with the growers of Nova Scotia and any other provinces. The government made an arrangement with the growers in the Annapolis valley and also with the growers in the valleys of British Columbia. Perhaps there was an arrangement with those in Ontario and Quebec. That I do not know. If he would be good enough to outline the basis of the arrangement that was entered into, this would give the committee some valuable information.

Mr. GARDINER: Is the hon. member speaking of last year?

Mr. STIRLING: Last year, unless an arrangement has already been entered into with regard to 1940. Of that I am not quite sure.

Mr. GARDINER: An arrangement was entered into last year along the line I was discussing a moment ago; but, as has been suggested, I did not go into the arrangement in detail. Last year war was declared on September 3. That, as every member of the committee knows, is just about the time the apple grower is getting ready to harvest his crop, and on the very first day of the war a statement was made to the effect that Britain desired to take as little of our apple crop as we could afford to have her take, and preferred to take none at all. Immediately that statement became known to the people who had been growing apples, they were of course very much concerned, and naturally those most concerned were the producers in Nova Scotia, who marketed approximately 80 per cent of their crop in Britain. They were the first to come to the government. The growers of British Columbia, who market about 50 per cent of their apple crop in Britain, had been marketing it under somewhat different arrangements from those made by the apple growers of Nova Scotia and were not quite so much concerned, because their apples could find a market, to a larger extent than Nova Scotia apples, under the system they had been following.

Mr. STIRLING: Great Britain was ready to permit those apples already sold to find shipment to the United Kingdom market?

Mr. GARDINER: Yes. The Nova Scotia crop had not been contracted for to the same extent. Our first negotiations were with those in the greatest trouble, the growers in the Annapolis valley, and the result of those negotiations was this, in general terms. We provided that a certain quantity of the usual apple crop be marketed in the old land. We cut the supply down as much as we could by eliminating the varieties not quite so acceptable as others, taking the better grades and varieties and classifying them as apples that ought to be taken care of. Then we negotiated with the British government and found that we could market approximately 50 per cent of what we had been previously marketing in Britain. Britain was prepared to take them, not because she needed or wanted them but because she thought that, in view of the fact that we were in the war with her, she should to that extent assist us in keeping up the morale of our people.

Then, having had some idea that that might be done, we undertook to process half the apples of those qualities which had usually gone to the British market. Those were put through the processing plants as stated. Having done that, we started negotiations with the British Columbia people. We also had negotiations with those who produce apples in the central part of Canada. We zoned the dominion, letting the Nova Scotia people sell their fresh apples as far west as Montreal, the people in the central part of Canada sell their apples from Montreal west to Winnipeg, and the British Columbia people sell their apples exclusively in the area from the Pacific coast to Winnipeg, including Winnipeg. In the agreement we reserved the right to indicate some later date at which apples from British Columbia might come into Ontario, or apples from the maritimes might come into the Ontario section.

The Ontario people had been exporting only a very small part of their production to the British market, and we therefore had very little difficulty in taking care of the part of their apple crop which was usually exported. As a matter of fact, in the final analysis we did not have to take care of any of them. The Nova Scotia apples were taken care of under the plan I have mentioned, with the result that we had about half of their usual shipments to the old country canned or dehydrated, and a considerable part of that section of the crop we still have. We took somewhere in the neighbourhood of one hundred thousand boxes of British Columbia apples and distributed them free to people on the prairies who were not in a position to

buy apples. We were responsible for approximately another four hundred thousand boxes at the beginning of the season; but, as the season went along, British Columbia found it possible, partly because Nova Scotia was not able to market all the apples she hoped to be able to market under the system that prevailed of shipping from the eastern ports, to market practically all her surplus crop in the old land, so that we are not going to be required to take care of any considerable proportion of British Columbia apples over and above the $100,000 worth that we disposed of last fall by giving them away in the central part of Canada. We guaranteed a price to British Columbia on certain shipments, and as the season went on, we varied the agreement in order to meet the new conditions that developed.

Mr. STIRLING: But you did not have to spend any money on that?

Mr. GARDINER: We expect there will be a small obligation in connection with it, but it will be very small. We put on an advertising campaign in Canada relating to apples in every form, and greatly increased the sale of apple juice through the efforts of apple producers and processors and the activity of the government. The consumption of apples in certain sections of Canada was also greatly increased. I was told no later than to-day by one man who produces apples, but not as part of what he considers his paying crop, that, because of this advertising campaign he was able to dispose of apples to better advantage this last year than before the war started. He is a man who was producing tobacco chiefly, and said he had no hope of disposing of apples this year until action was taken by the government.

Mr. STIRLING: That is in Ontario?

Mr. GARDINER: In Ontario. Having had those experiences, we have fairly well come to this conclusion, that while the zoning of Canada into different districts was helpful last year, we do not think it would be a wise policy to follow in relation to the apple crop or any other crop over a period of years. In plans for this year we think we should try to keep away from the zoning plan as far as possible. We have had some discussions as to possible agreements with the people in the Annapolis valley. We have said to them that this year we will guarantee eighty per cent of the average price of the last three years for eighty per cent of the apples that the Annapolis valley exported to Great Britain during the last three years. In other words, we are saying to the Annapolis valley people: We will be responsible this year up to a certain price for eighty per cent of your crop.

[Mr. Gardiner.]

An hon. MEMBER: What is that price?

Mr. GARDINER: The agreement is not entered into yet; therefore we have not worked out the figure, and I would not wish to say what it will be until it is worked out. We have taken care, as far as the farmers' worries are concerned, of eighty per cent of the average price of eighty per cent of his total crop.

Mr. TUSTIN: That is the average price?

Mr. GARDINER: Eighty per cent of the average price for the three preceding years for the highest grades.

Mr. HATFIELD: When these negotiations were going on with Great Britain in September, and Nova Scotia shipments were held up, how many apples were exported from the United States to Great Britain during that period?

Mr. GARDINER: I have not those figures at the moment, but the order of Great Britain was that she would not take any apples from the United States other than those that had been contracted for. She gave the same order, as I remember, in relation to United States apples as in relation to ours, except that she did not undertake to make any further agreement with regard to taking United States apples. I have not before me at the moment the final outcome of those shipments. But I am dealing at present with the crop which is now growing. When we had negotiated the matter up to that point, the Ontario people, having had a meeting, sent a representative to meet us, stating that they would want to negotiate at a later date. British Columbia sent a delegation which met us last week, and we said to them that we would be prepared to meet them in July or early in August when we know the crop condition and the probable marketing conditions, in order to discuss further any necessity for assisting them in dealing with any surplus they may have this year. We indicated that they would be dealt with on a basis which would compare favourably with the manner in which we have dealt with apple producers elsewhere.

Mr. STIRLING: The marketing of the eighty per cent of eighty per cent will remain in the hands of the Annapolis shipping firms? The arrangement does not remove their difficulty in disposing of them? They may choose to destroy them.

Mr. GARDINER: The present intention is that they remain in the hands of the apple board. The apple board which handled the arrangements last year will be continued, I

understand, and they will probably determine, upon consultation with the government, what will be done with any surplus crop.

Mr. GRAYDON: I am sure many hon. members have had made to them in connection with the marketing of our apple crop suggestions that the government might have gone further in regard to providing the defence forces of Canada with apples from time to time. One naval man said to me a couple of months ago that while in the streets of Halifax there were numerous signs advertising apples, the navy of Canada in their ordinary rationing were granted only one apple per person every Saturday. Perhaps the minister would enlarge on the government policy with regard to that.

Mr. GARDINER: When the war began, apples were not among the rations provided the soldiers either in camp in Canada or elsewhere, but the Department of Agriculture negotiated with the Department of National Defence and apples were placed among the rations. I can understand why it may be difficult to have many apples on any diet that may be provided at this time of the year. As a matter of fact, some of us were astonished to find that when we got into the late spring, very few good apples could be found in Canada. When I visited the maritimes in April of this year, just before the arrangements were made for this year's crop, we found that a very considerable part of the apples being sold in Halifax had been shipped all the way from British Columbia. We also found that in certain sections of Ontario, where throughout the winter it had been possible to get the very best grades of apples, it was somewhat difficult to get good apples, and that applied even here in Ottawa.

Mr. GRAYDON: About what time of year would that be?

Mr. GARDINER: Along about the beginning of May. We have an idea that possibly, by providing a proper type of storage, we may be able to keep Canadian apples in a condition which would make them acceptable to the general public for a longer period of time than has been found possible in the past. We may be wrong in that; some producers tell us it is almost impossible to keep apples in any form of storage beyond May 1 and be able to sell them, because they lose their flavour, they will not stand up and so on.

At the present time we are experimenting with the dehydration of apples. There was a concern, which will be remembered by some hon. members who come from the maritime provinces, which about two and a half years ago developed a process for dehydrating apples. They were not able to make a financial success of it at that time, but some of those dehydrated apples are still in existence, and within the last month I had the privilege of testing a package of those apples. I would say that those apples, processed two and a half years ago from fruit grown three years ago, when placed on the table are better than apples carried through in the fresh form from last fall. There are possibilities in that method of preserving part of the apple crop of Canada, to be used not only in Canada but by our armies as well. There is just the possibility that it would be very difficult, as I think it would be, to provide fresh apples to an army anywhere outside the area where they are grown; but there should be no difficulty in providing apples in this form which, when soaked in water and prepared for consumption, have the same flavour and appearance as when originally produced. This particular concern was able to produce a dehydrated apple which three years later was just as good as when it was processed, dried down to twelve per cent moisture, which is approximately the same as good hard wheat. In other words, they will keep for a very long period of time.

In addition, we have air-tight cans of these dehydrated apples going out for the use of the navy. That product is not quite as good as the other; it is less expensive to put up, but it serves a certain purpose, and we are attempting to put as much as possible of the apple crop in that form, for the use of the navy and elsewhere.

Mr. COLDWELL: May I speak just now as a consumer of apples from a part of Canada where we do not grow any apples. I believe that the consumption of apples, particularly in this part of the dominion, could be greatly increased. I have often heard arguments as to where the best apples in Canada are grown. I am not going to enter into that argument, except to say that when we on the prairies buy a box of apples from British Columbia we buy them by the grade and we know exactly what we are getting. If we are getting a household apple we get a good, sound apple at a reasonable price. If we are getting a fancy apple for the table we get a good, sound apple of attractive appearance. I have been around Ottawa for the last couple of years, and I have found it very difficult indeed to get an Ontario apple that is well packed and attractive. Speaking from my own personal experience, on the prairies we always buy apples by the box, but in Ottawa we buy them by the gallon. We buy the smallest quantity that we can use immediately because in many instances they look

as if they are bruised and might rot in a little while. I believe the result is that many people buy fewer apples because of the bad packing that one sees in this part of the country.

I know that is a criticism of the Ontario apple industry, but as one who has bought apples in both parts of Canada, that is my opinion. They tell me the British Columbia apple is not as good as the Ontario apple, but it is much more attractive and much more reliable; and it seems to me that if we are going to popularize the use of the eastern apple, the department should do something to encourage better packing and grading of that apple. I believe apple consumption could be increased among our own people, even in this part of Canada, if the apples we find in the stores, grown in this part of the country, were better graded and more attractively put up.

Mr. SENN: Coming from Ontario, I rather regret to hear remarks such as those just made by the hon. member for Rosetown-Biggar (Mr. Coldwell). I have been told by many people that the Ontario apple was the best flavoured apple grown in the dominion. It may be true that our methods of packing are not quite as good as those followed in the maritimes or in British Columbia; but if that is the case, perhaps it is the job of the department to see that something is done to make our methods of packing better than they are at the present time.

I was surprised to hear the minister state that no Ontario apples had been processed under these agreements. Last fall I was in an apple growing section of this province, and I was told that our grades had been stepped up and that a large part of our apples had gone into domestic grades, which were supposed to have been processed under government auspices and aid. The minister has told us that apples have been processed, both by way of canning and by dehydration, in the maritime provinces. I wonder if he would tell the committee exactly the agreement that was made with the processing or canning companies, because I have been told that the canning companies themselves were delighted with the contracts that were made, and that they have reaped substantial profits under them, which I suppose is perfectly all right. I should like the minister to state as well whether there were any Ontario apples canned or dehydrated under the agreements made with the canning companies.

[Mr. Coldwell.]

Mr. GARDINER: The agreement is rather technical; it gives all the prices for the different processes through which the apples are put, the costs of picking and of packing, and all that sort of thing. Either last night or to-day there passed through my office a return which was requested by a member of the opposition, concerning those agreements. The return should be laid on the table of the house within the next day or so, and I think it might serve the purpose as well if the discussion on that point were to wait until we get into the marketing section of these estimates, which probably will be some time later than to-night. Then those agreements will be in the hands of members of the committee, and they may discuss them more intelligently than they could by listening to anything I might have to say to-night with regard to them. I might say that none of the Ontario apples were processed under those agreements, the chief reason being that it pays both the producer and the government much better to have the apples sold as fresh apples. And Ontario was able to market its fresh apples under the arrangement made this year to possibly as good advantage as it would have been able to market them had there been no war.

Mr. GRAYDON: Domestics?

Mr. GARDINER: Ontario apples all the way through, with the exception of very low grades.

One other point is that most of the Ontario crop is sold in Ontario, and the dominion government can have no control over the grading or marketing of apples grown and sold in that province. The Ontario government does cooperate with us to the fullest possible extent in trying to do what is thought best in the interests of all parties, both consumers and producers. The Ontario growers were able to get a better price than they could have got if the apples had been processed, and for that reason they were not processed by anyone except in limited quantities.

Mr. RICKARD: As an hon. member who grows apples I should like to say on behalf of myself and growers in Ontario generally that we certainly appreciate what the Minister of Agriculture and the government have done for the apple growers in the past year.

Mr. CASSELMAN (Grenville-Dundas): What have they done for Ontario?

Mr. RICKARD: The process of zoning in Canada was a vital factor so far as the growers in Canada were concerned. Had Canadian apples been shipped to any point,

the Montreal market would have been entirely lost so far as the Ontario growers were concerned.

The raising of grade standards was beneficial as well. I do not think for one moment that we put up as good a pack as we could put up, and yet we certainly are ahead of what we were doing a few years ago. I am convinced, however, that we require better inspection with regard to apples that are shipped. Of course there are inspectors appointed by the government to act here and there throughout the country, but it is impossible for them to watch every apple shipped by truck or by car. To-day truckers are driving to the orchards and buying apples from the growers, and it is almost impossible for our inspectors at all times to look into the grades that are sold. I think they are doing a good job, as far as it goes, but if we had more inspectors and more rigid inspection, we would gain a better market for our apples.

I am certainly in favour of advertising. The advertising that has been done by this government has been a great boon to the apple growers. It has been said that the advertising has brought about the consumption of a third more apples. In my view, others might act in conjunction with the government in respect to advertising. I have always advocated to our fruit growers' associations that they should help in connection with advertising. The fact remains that we shall certainly have to put before the people the kind of product we grow and that we want them to use.

So far as our pack is concerned, my view is that we should get away from the old barrel pack and develop a smaller package, one containing a bushel, a half-bushel, or possibly eleven or twelve quarts. That is the package which the ordinary person wants to buy and can buy to-day.

It seems to me there is something further can be done by the government for the apple grower. I do not know that what I am about to say would come under the jurisdiction of the Minister of Agriculture. I have in mind the time limit on the duty on oranges and citrus fruits coming into this country. I contend that that time limit should be from not earlier than March 1, instead of January 1. When the duty is taken off oranges on January 1, they can be bought very cheaply. Some hon. members will recall that when I spoke last year on this subject, I pointed out that oranges were being sold at twelve cents a dozen, or at one cent each. The apple growers to-day cannot compete with oranges at twelve cents a dozen, and that is a point which the government should consider.

The minister has said that the government will assume the responsibility for eighty per cent of eighty per cent of the Nova Scotia crop. It seems to me that this would be more apples than we would grow in Ontario. If the growers in Ontario have not already requested the government to continue as it did last year the zoning, advertising and grading operations, with all possible improvements, then I think that request should now be made. The apple growers appreciate what has been done by the government, and trust that it will continue to give them assistance equal to that which has been given in the past year.

Mr. GRAYDON: Mr. Chairman, I am afraid I cannot endorse in their entirety the glowing tributes which the hon. member for Durham (Mr. Rickard) has extended to the government, but I should like to point out to the Minister of Agriculture that in my opinion the advertising campaign in connection with the sale of apple juice has had a most beneficial effect upon the sale of that commodity.

I always hesitate taking credit to myself, especially when the hon. member for Northumberland, Ont. (Mr. Fraser) faces me. I realize he is apt to object to what I may say. When on a former occasion this matter was discussed, I believe he was one of those who took me to task. I refer to the occasion when I asked the government to make an appropriation in peace time for this very thing. Now, during this war time period, perhaps I may be pardoned if I claim some small measure of pride in having suggested to the government on an earlier occasion that we should have done something by way of advertising our apple juice and other vegetable products.

While I realize that at this time the establishment of a domestic market is a matter of great importance, yet I suggest that the Minister of Agriculture ought not to lose sight of another one of the facts in connection with the sale of these products. Those who know the fruit and vegetable industry better than I do are convinced—and I say this guardedly—that our importations which have arisen as a result of trade agreements with the republic to the south in 1935 and 1938 have, to say the least, not had a beneficial or advantageous effect upon the fruit and vegetable industry in Canada as a whole.

While through the front door we are trying to find a market for our products, and while we are advertising in order to place our fruit

and vegetable products before our people, I would urge upon the minister that he ought not to permit, through the back door, any destruction of advantages so gained by permitting too great importations of fruit and vegetables to enter Canada so as to replace sales of our own apples and other fruits and vegetables.

Only to-day information came to my hand in connection with the competition of oranges from Japan, and that is a further form of competition which must be met by our apple growers. I was amazed to learn that they were faced with that kind of competition. Too few people in Canada realize the tremendous competitive power offered by oranges and other citrus fruits from the United States when in competition with our apple crop. It is all very well to say that they are not of a class or kind produced by our orchard men, but there seems to be no argument against the claim that they do displace apples and other Canadian fruits in our local markets.

I find myself in agreement with the hon. member for Durham when he suggests that in some way or another we should curtail importations of oranges and other citrus fruits from the United States so that we may have a greater opportunity to sell our home-grown products in the domestic market. I do not make the suggestion with any idea of attempting to curtail the benefits which ordinarily accrue to the consumer, but rather my desire is to assist Canada and particularly her fruit and vegetable industry as a whole. I would ask the minister seriously to consider the matter of United States importations of fruits and vegetables. That is a factor which has an important bearing upon many of our problems.

Mr. McGREGOR: What were the imports of all apples last year?

Mr. GARDINER: I have not that information with me, but I will get it.

Mr. NICHOLSON: The minister mentioned that fairly large quantities of apples were being distributed. Was he referring to the 1939 or the 1940 crop?

Mr. GARDINER: The 1939 crop, of which something under $100,000 worth was distributed. It was considerably more in the previous year and much greater still in the year preceding.

Mr. NICHOLSON: Are there still quantities of apples on hand for distribution?

Mr. GARDINER: We have dried apples, that is dehydrated apples, and canned apples.

[Mr. Graydon.]

Mr. McIVOR: I suppose the minister would agree that one of the good results that have come to us through the failure of the British market is that we now consume wholesome apple juice.

Mr. BROOKS: Applesauce.

Mr. McIVOR: Speaking of publicity, I am sure that when it is well known that restaurants and other places serve the hon. member for Peel (Mr. Graydon) and myself with apple juice, it will be a great advertisement for it.

Mr. MARSHALL: The discussion so far has centred round the distribution of surplus agricultural products. The Department of Agriculture in the United States is experimenting with a plan known as the Stamp plan to get rid of their surplus agricultural products, and I should like to read a short extract describing the plan, taken from the *Christian Science Monitor,* dated January 11, 1940:

> Briefly, it's a system by which surplus foods are distributed to relief families free of charge, making use of regular grocery store channels for distribution. First, reliefers buy one dollar's worth of orange stamps from the Surplus Commodities Corporation. That's good for all food purchases. Then, in addition, they are given, free of charge, 50 cents' worth of blue stamps. Now these they use for the purchase of foods in grocery stores which the government has designated "surplus commodities." The grocer, in turn, takes all his stamps to the government or some clearing bank, and gets them redeemed at full face value.
>
> In this way farm surpluses experience a heavy demand at the grocery stores—and in turn relief recipients get the extra foods free, instead of their being "plowed under" or exported abroad in some form of dumping arrangement.

The article goes on to discuss the plan and the success it is meeting with in the United States. It says:

> The federal Surplus Commodities Corporation chose Rochester for trying out its food stamp plan.
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> Why?
>
> Well, in the first place relief recipients there were paid by check rather than by food vouchers. Thus a test of the stamps at Rochester would show to what extent families in need would accept them. Then, too, though most Americans think of Rochester as a rich, flourishing city, it nevertheless has its relief problem. One out of five of Rochester's 330,000 people was dependent on relief in May, 1939.
>
> Furthermore, Rochester had made a good record for the competent administration of its relief. So the FSCC'S special staff could follow and check accurately on the results, unhampered by politics or shiftless management. Finally, Rochester, with its diversified industries set in the midst of fertile farmlands, is considered a fairly typical city.
>
> Did Rochester relief recipients take to the stamps?
>
> They did. During the first three days of the test, 3,900 out of the 8,600 relief clients who

received checks, had purchased stamps. They spent $29,026 for the orange stamps, and received $14,513 in blue stamps as a present from Uncle Sam.

The chart below shows how the plan's popularity grew:

Relief type	Families participating May 16-31	July 1-15
WPA	703	2,037
City home relief	3,832	4,319
Veterans' relief	487	594
Old age help	269	710
Aid to children	33	297
Increase in stamps—		
Orange stamps	$45,380	$78,606
Blue stamps	22,690	39,303

I would commend this experiment to the minister and suggest that he study it and give us his reactions when item 30 dealing with the marketing of agricultural products is before the committee.

Mr. HAZEN: Has any arrangement been made with the apple growers of New Brunswick for the present season?

Mr. GARDINER: No; they were not included in the agreement last year, and no representations so far as I know have been made this year that they desire to be included. I think the reason is that most of their apple crop is marketed locally.

Mr. BROOKS: I was just going to ask the question that the hon. member for St. John-Albert (Mr. Hazen) has asked. While I am not a producer, I have in my constituency the apple growers of the St. John river valley, and I think the minister will agree that until one has eaten a St. John river McIntosh Red he has never tasted a real apple. I was surprised to hear the hon. member for Haldimand (Mr. Senn) say that the people of Ontario were deluded to the extent that they thought the best apples were produced in that province. We can set that down, I suppose, to an Ontario complex. The minister has answered the question I intended to ask. There has been no agreement with the government of New Brunswick for the marketing of our apples. We produce about 40,000 barrels in the province, and I understand that the quality is so good that the apples really sell themselves.

Mr. KINLEY: There seems to be a considerable difference of opinion in the committee as to which part of Canada produces the best apples. The hon. member for Haldimand (Mr. Senn) said Ontario, the hon. member for Royal (Mr. Brooks) said New Brunswick, while someone else spoke up for British Columbia. I am reminded of the fact that the minister said that eighty per cent of the Nova Scotia apples went to the British market. They are sold in competition with the world, and that is the test. The hon. member for Durham (Mr. Rickard) stated that in order to secure the Montreal market for central Canada growers, it was necessary to zone the sale of apples and thus keep Nova Scotia apples out of that market. I do not think there is any doubt as to where the best apples come from. The moisture, cool air and sunshine of the provinces by the sea give the apples a flavour that one cannot find in any other part of the world. By zoning the sale of apples the department created a condition which was to the disadvantage of the Nova Scotia apple grower. It means that to that extent in Canada we have not free trade within our own country.

Mr. FRASER (Northumberland, Ont.): I should like to make a brief reference to the statement of the hon. member for Royal (Mr. Brooks) in reference to apples grown in New Brunswick. If I heard him correctly, the hon member stated that New Brunswick produced approximately 40,000 barrels. In order to convince my hon. friend that I speak with some authority in connection with apples, may I say in all modesty that the hon. member beside me and I produce that many apples in our two orchards. I have listened attentively to the statements made by other members from the maritime provinces. I do not think anyone will question the quality of the apples produced in Nova Scotia. However, in a discussion of this matter there are one or two fundamentals that should be kept in mind.

In order that it may be a matter of record, I should like to say that the apple growers from British Columbia to Nova Scotia, including Quebec and Ontario, have a most efficient organization. Each and every province is represented, through the fruit growers' association of the province, upon what is known as the apple advisory board. Last year the gentlemen making up this board made certain advances and suggestions to the Minister of Agriculture. These suggestions were considered in the light of the condition which had resulted from the war and in the practical elimination of the export market for apples from Nova Scotia.

I want to endorse heartily the sentiments expressed by the hon. member for Durham (Mr. Rickard). The Canadian Horticultural Council, under the secretaryship and efficient management of Major Burrows, in cooperation with Doctor Barton and his officials, arrived at an agreement whereby a certain quantity of apples in Nova Scotia were taken over and processed under the auspices of and after having been paid for by the federal government. As a result of that, the apple growers

of Ontario and Quebec were assured of the domestic market in those provinces. As a result of those arrangements, and the additional arrangement made with the growers of British Columbia, the 1939 apple crop was handled to the complete satisfaction of the fruit growers in every province. I believe I can speak with authority for the growers of Ontario.

It was my privilege three weeks ago to act as a representative to the Ontario Fruit Growers' association which met in the city of Toronto. Since that meeting, three or four other meetings have been held in Ottawa at which there has been representation from Nova Scotia, Quebec, British Columbia and Ontario. Speaking as I believe I do with some authority, I contend that the arrangements made with the Department of Agriculture for 1939 were most satisfactory. Perhaps I can give a slight word of warning to the Minister of Agriculture. If the apple growers of Ontario and Quebec, working in conjunction with those in British Columbia and Nova Scotia, can arrive at an arrangement which will provide the same results for the 1940 apple crop, then I think all growers in the country will be entirely satisfied.

I should like to make one or two references to the statement made by the hon. member for Peel (Mr. Graydon), for whom I have the greatest admiration. I am very sorry if he misunderstood anything I said last year. Apparently he took my remarks as criticism of his suggested advertising scheme. That scheme was adopted by the government and I believe the suggestions made by the hon. member were most beneficial. I believe that scheme was carried out in a most efficient and successful manner. The product under discussion last year was tomato juice.

The officials of the fruit branch of the Department of Agriculture have carried on extensive work in the production of apple juice, and they should be given credit for the present state of perfection of this product. I want to endorse most emphatically the statements of the hon. member for Durham and the hon. member for Peel. Consideration should be given by the Department of Finance, the Department of National Revenue and the Department of Agriculture to banning the importation of citrus fruits, at least for the duration of the war. I have before me a brief which contains a submission made to the deputy minister of finance in confirmation of a presentation made, I believe, last year. Many details are set out in this brief, and I believe it contains all that is necessary for the Minister of Finance and the Minister of Agriculture to arrive at some conclusion as to what should be done about a curtailment of the increasing importation of citrus fruits, particularly from the United States.

I have had an opportunity of saying a word about this to the Minister of Agriculture, and perhaps the Department of Finance might also take notice. Each and every hon. member realizes that it is not only a question of the importation of citrus fruits; there is the more essential question of foreign exchange. The Minister of Agriculture, working in conjunction with the other two departments I have mentioned, can render a service, not only to the fruit and vegetable producers of Canada, but also to Canada's war effort by providing some method of curtailing these importations.

I should like to take this opportunity as a rather large fruit grower in Ontario to thank the minister for what he has done. I want him to know that I was satisfied with the arrangements made last year, but I expect him to do as well this year for the fruit growers of Ontario.

Mr. HARRIS (Danforth): The hon. member referred to foreign exchange and I should like to ask: Are you in favour of the pegged rate of exchange?

Mr. FRASER (Northumberland, Ont.): The hon. member has addressed his question to me, yet he took serious objection the other night to the manner in which I asked a question. In reply I say to my hon. friend that I am afraid I am not sufficiently conversant with high international finance to answer his question.

Mr. SENN: I have listened with a great deal of attention to the remarks of the hon. member for Northumberland, Ont. (Mr. Fraser). He is one of the men best qualified to speak on the question of apples from the point of view of both marketing and production. I think, however, he was rather served notice by the minister that the very thing that had so much to do with getting a reasonable price for apples in Ontario and Quebec last year for the last crop will perhaps not be followed out this year. I refer to zoning. His idea in making the remarks he did was to give the minister notice that he would like to have that zoning continued for another year, and I am inclined to agree with him in that respect. I heartily agree with him and the hon. member for Durham (Mr. Rickard) in their desire to see the importation of citrus fruits and other fruits of different kinds now imported from the United States curtailed as far as possible. It seems an anomaly that in this country, where we have excellent fruits like apples and other varieties as well, they should be

replaced by fruits from another country especially when they come in at a high rate of exchange and with very little interruption. I have never been entirely satisfied with the system of seasonal tariffs now in effect, and I am fully in agreement with the hon. member and with the hon. member for Durham in their suggestion to the minister that something should be done to curtail these importations.

Mr. FAIR: Will the minister tell us whether the apple growers received from the government a price equal to the cost of production for the portion of the crop sold to it?

Mr. FRASER (Northumberland, Ont.): Mr. Chairman—

The CHAIRMAN: A question has been asked.

Mr. GARDINER: It was not intended to be answered; it was only a statement.

Mr. FAIR: May I have an answer to the question?

Mr. GARDINER: I do not think an answer is expected to a question put in that way.

Mr. FRASER (Northumberland, Ont.): With reference to the remarks of the hon. member for Haldimand (Mr. Senn), we, the apple growers' organizations in Ontario, believe that in the last few years we have made considerable strides in our endeavour to understand the marketing problems and the psychology of purchasing or consuming. The hon. member referred to prices received for the Ontario and Quebec apple crop last year. Those prices were not exorbitant, but they were satisfactory. Not only was it the intention and the policy, but it was ultimately as a result of the policy that was followed that we were enabled to keep in alignment a reasonable price for our crop on the consuming markets of Ontario and Quebec throughout the marketing season of last year. We have found in the apple business as in any other business that if the price for apples increases to the consumer over a certain point for certain varieties and qualities, the consumption immediately begins to decline as a result of the purchase of oranges or some other commodity.

Last year, through an arrangement with the apple advisory board and the apple marketing board, of which Doctor Shaw is the chairman, we agreed, notwithstanding zoning, that the importation of Nova Scotia and British Columbia apples into Ontario and Quebec should be permitted for certain periods in order to maintain the price level at which the consumer could purchase in volume. The hon. member for Haldimand made reference to zoning and he interpreted my meaning correctly in the remarks I addressed to the minister. That matter is being carefully worked out at the present time through different contacts—the fruit growers association, the apple advisory council, the apple marketing board in conjunction with the Canadian Horticultural Council, Doctor Barton and the officials of the department—and we hope to have a practical plan evolved, perhaps under a different name, which can be accepted by the minister as workable some time during the month of July. Zoning may be an objectionable term in some quarters, and whether under war conditions we should simply use the word control, I do not know; but my hon. friend can rest assured that the industry in Ontario and Quebec and in other provinces, under the auspices of those agencies that I have mentioned, will handle the 1940 crop successfully in cooperation with the minister.

Mr. FAIR: As the minister did not like the form in which I put the question, I will put it in different words, because I should like to get an answer. How does the price paid by the government for last year's crop compare with the average price paid last year for the same grade of apples?

Mr. GARDINER: The prices were reasonably comparable all the way through. Most of the apples we took were apples of processing grades. The apples sold by organizations of producers or by those who purchased from the producers were usually a higher grade sold as fresh apples.

Mr. PERLEY: The discussion to-night has revolved around apples. I do not like to let an opportunity pass of commending the minister; and while he and I come from a part of Saskatchewan where a great percentage of the people in the last three or four years have not been thinking very much about apples—quite a number of them have not been able to buy any apples—the minister last fall did do something, for which he should be commended, in distributing a free gift of apples to that part of the province. His action was certainly appreciated. He distributed in the south central part of the province apples in carload lots, and my constituency was particularly well favoured in that respect. In each of the towns along the main line east of Regina, about two carloads of apples were distributed free. In some towns the apples arrived before the municipality or the town council knew about the matter, but it did not take them long to organize and have the apples distributed, so

many pounds to each family. It was a liberal distribution. The apples went to some places where they were not really needed, but on the whole the gift was appreciated. May I ask the minister now what system was adopted in arriving at a decision as to how many apples would be required in each town?

I have only one grievance to utter. I am not going to charge the minister with any ulterior motive, but it so happened that the towns both east and west of me got two carloads while my town got only half a carload. Would the minister let us know how many carloads were distributed under that plan, and how many carloads in the constituencies of Qu'Appelle, Assiniboia and Melville? We have acquired a taste for apples now, and if we ever get in a position to be able to buy them, there will be a good market.

Mr. GARDINER: About one hundred thousand boxes were given away, and they were given in areas where the crop averaged from eight bushels to the acre down. More apples would go to a town where more of the townships surrounding it had an average crop of eight bushels or less per acre than to a town where the crop in the area around it was higher. As a matter of fact, I think the hon. member's town is directly south of the town I go to, and I do not think any went to the town I go to.

Mr. ROSS (Souris): Apple sauce seems to be the subject at the present time. The hon. member for Qu'Appelle (Mr. Perley) raised a question which caused me considerable grief last fall. I live in what was the original drought area of southwestern Manitoba, and when my people began to learn of the distribution of these apples they certainly had me on the spot as to why I had not some apples in my municipality. I made inquiry through our municipal union and other organizations as to how the distribution was being made and how to go about procuring some of these apples. Would the minister explain what procedure should have been followed and what organization was responsible for the distribution?

Mr. GARDINER: The organization for the distribution was set up three years ago following the crop failure of 1937. An office was opened with two men in charge and a staff of stenographers and clerks who gathered the information and took charge of the distribution. The distribution was made through the municipal councils. The apples were forwarded to the secretary treasurer, who was instructed beforehand. I gather from what the hon. member for Qu'Appelle (Mr. Perley) said that in some instances the secretary treasurer did not know about the matter before the apples arrived, but in most instances the secretary treasurer knew when they were to come; and if a carload was shipped to a certain area in the province and one municipality was to take out one-quarter or one-half, the secretary treasurers were so instructed. We have in the office, as a result of the distributions previously made, a complete list of the number of families approximately in those municipalities. The distribution is made on the basis of a family of five; I think the first distribution was two boxes to a family, and I am not certain whether last fall's distribution was on the same basis or a little higher. As far as determining the municipalities to which boxes would go, that was based, as I say, on the average crop yield in the area. Apples went only to townships that had on an average less than eight bushels to the acre, based upon the information we had at that time. There might have been an occasional mistake one way or the other, but on the information then available, that was the basis of distribution.

Mr. DOUGLAS (Weyburn): Who was in charge of that distribution office this year?

Mr. GARDINER: The same man has been in charge all three years, Mr. Mackie. Distribution was from the prairie farm assistance office last year.

Mr. DOUGLAS (Weyburn): What about Doctor Stapleford?

Mr. GARDINER: Doctor Stapleford has not been assisting during the last two years.

Mr. HATFIELD: Has anything been done to stop the importation of United States, grade 1, size B potatoes into Canada? I know that under the treaty the importation of grade No. 1 potatoes cannot be stopped, but I believe grade 1, size B was stopped in the past. California started to send these potatoes in early in April when we had a large supply of good old potatoes in Canada, and they have been coming in ever since. We cannot ship grade 1, size B within Canada in interprovincial trade; why should we allow a grade to enter Canada that we cannot sell ourselves within Canada?

Mr. GARDINER: We have been wandering rather far afield in dealing with this item. Following the direction given by the opposition side of the house, I undertook to give an outline of the general policy in connection with the department, and considerable latitude has since been allowed. So far as the question just asked is concerned, I might point out that it could be more properly dealt with under a later item. I would say at the

moment that the real reason for the condition existing is the fact that our season for marketing new potatoes starts later than the season of some of our United States friends. They are able to ship into Canada potatoes that are of a certain size and therefore can be marketed much earlier than our potatoes of the same size, and they also have certain areas from which they can obtain what is known as a new potato just as long as we can. For that reason the period over which they come in from the United States is much longer than ours, and they send in more than would otherwise come.

If the committee would pass this item, I should like to ask that we report progress and ask leave to sit again, leaving this question for discussion when we come to the proper item.

Mr. HATFIELD: According to regulations, grade 1 new potatoes, size B may not be sold in Canada.

Mr. GARDINER: We can discuss that further when we come to that item.

Mr. COLDWELL: I have been waiting for someone, preferably on the other side of the house, to take up, from the point of view of the consumer, the matter of the prohibition of the importation of citrus fruits, or the shortening of the period during which they may be imported free. Suggestions have been made to-night by some supporters of the government with regard to prohibition or shortening of the period of free importation of citrus fruits. Speaking on behalf of the people in the part of Canada from which I come, the prairies, I say that our children there, particularly during the past few years, have not been able to get a sufficient amount of fruit; some of them have not had any fruit at all, and in my opinion the interests of the children particularly should be considered. The citrus fruit which now comes into Canada cannot, we believe, be replaced by apples; and looking across at the government which has always professed a policy of admitting free of duty articles of food, I was waiting for at least one of their supporters to rise and make the suggestion I am now making, that not only should the interests of the apple growers be canvassed but the interests of the consumers should have some consideration. To the consumers in the part of Canada from which I come the present regulation is much more satisfactory than the old one.

Mr. TUCKER: Is provision made in this year's estimates for a similar distribution of apples in crop failure districts as was done last year?

Mr. GARDINER: The distribution last year was not done under the estimates; it was done under the War Measures Act. If there is any need for it this year, it would have to be done in that way again.

The CHAIRMAN: I should like to draw the attention of the committee to the fact that the minister has suggested that this item might pass now or be allowed to stand. I would also draw the attention of the committee to the fact that although a great deal of latitude is allowed on the item covering the administration of the department, yet when there are specific items in the estimates, such as items 28, 29 and 30 in this instance, covering marketing of fruits, vegetables and other products, I believe it is not in order, under standing order 58, subsection 2, to discuss these questions as widely as we have been doing to-night. Since it appeared to be the general consensus of the committee that a general discussion should take place, I have not interfered, but now the question arises whether the committee desires to let this item pass and to continue the discussion under items 28, 29 and 30, which particularly and specifically cover marketing.

Mr. SENN: I have no desire to hold up this item in any way, but the whole question of Canada's preparation for war agricultural production was raised and discussed by the minister himself when this item was called.

Mr. GARDINER: Raised by the hon. member for Peel (Mr. Graydon).

Mr. SENN: It might have been raised by some other person, but certainly it was discussed by the minister. I have always understood that under the administration item almost anything taking place within the department could be discussed. However, so far as I am concerned, as long as we have an opportunity—

The CHAIRMAN: That cannot be under standing order 58, as I read it, which states:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

While what the hon. member has just said is probably quite correct with respect to a question of policy, I do not believe it applies when there is in the estimates a specific item covering a particular matter under discussion. For instance, we have been discussing fruit, and the marketing of fruit. If we look at page 5 of the estimates we find these items:

> 28. Fruit, vegetable and maple products, and honey, including grants of $5,000 to the Canadian Horticultural Council and $500 to the advisory export council.
>
> 29. Live stock and live stock products.

30. Marketing of agricultural products, including temporary appointments that may be required to be made, notwithstanding anything contained in the Civil Service Act, the amount available for such appointments not to exceed $30,000.

Therefore I suggest that if we want to avoid a tedious repetition of the same arguments, we should adhere to the rule a little more closely, although as I have said, with apparently the unanimous consent of the committee the general discussion to-night was allowed.

Mr. SENN: May I suggest to you, sir, that I am not trying to uphold or justify the arguments and discussion that have taken place in connection with the marketing of fruits, or anything like that; but I do think, following your own suggestion, that matters of policy can be taken up under an item such as this. We were discussing the policy of the department in regard to the organization of agriculture for war production; but if that can be taken up on some other item, as I have no doubt it can, as far as I am concerned I am willing to meet the wishes of the minister and will offer no further objection to this item passing.

Mr. GARDINER: I think it would be quite proper to discuss all matters having to do with science service administration under item 6, and production service administration under item 15. The same thing is true of marketing; so I sugegst that if we carry this item now, we can discuss all these matters later when the proper items are before us.

Mr. FAIR: Mr. Chairman—

Mr. GARDINER: If there are going to be any more questions, I would suggest that this item stand to-night, and we can discuss it later.

The CHAIRMAN: Shall the item carry?

Some hon. MEMBERS: No.

Item stands.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

Health Branch.

237. Health branch administration, $43,000.

Mr. POULIOT: Who is the head of the drugs and narcotics branch?

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): There is a special vote covering drugs and narcotics which will come up later on.

Mr. GREEN: Have there been any particular developments in the health department during the past year?

[The Chairman.]

Mr. MACKENZIE (Vancouver Centre): There have been special and additional activities consequent upon the duties and responsibilities cast on the department since the inception of the war. Possibly it would bring the situation home to my hon. friend if I summarized these briefly. In the first place we have placed the pension services of the department at the disposal of the new active service force. Then we have placed hospital services at the disposal of the Department of National Defence, with a continuous average number of patients of about one thousand. Then we have assisted local authorities in four of the provinces in regard to air raid precautions. Our medical inspection and quarantine services have been reorganized to cope with problems which have been aggravated at certain of our Canadian ports. Then our scientific staffs and public health engineering division have been making surveys of camp sites in connection with the new camps which have been required. Health services have been undertaken in various industrial plants throughout Canada. We have placed at the disposal of the Canadian army medical corps the results of an intensive study of health conditions among pensioners, which was carried on, as my hon. friend knows, over the last two or three years by one of the branches of the department. As one result of these investigations the rations of the active service force have been varied and in some respects increased. As a further result of these studies some of the tests on examination of recruits that were used twenty-five years ago have been modified and I think perhaps made more severe. We also have assisted in testing the qualities and properties of the foods included in army supplies.

I think from the health angle that summarises the main activities of the department. We have also, of course, applied the pensions administration to cases that have arisen, and we have assisted in the investigation services of the dependants' allowance board. We have received the commendation of the Department of National Defence for the work carried out by the officials of the department and by the staff of the veterans' allowance board.

Mr. GREEN: I think it would be of interest to the committee if the minister could give us some idea of the results of the examination of recruits. The general opinion is that a great number of potential recruits have been rejected, and if that is so, I suggest that perhaps some action could be taken by the government to remedy the ill health disclosed as a result of those examinations.

Mr. MACKENZIE (Vancouver Centre): That of course would rest with the Department of National Defence. We have simply placed at the disposal of that department results of certain observations and investigations made respecting some of the pensioners of the great war, so that the results of those investigations might be available and of assistance in connection with the new duties of the Canadian army medical corps in examining troops.

Mr. GREEN: Surely it should be the function of the department of health to take note of any findings made by the army in connection with the ill health of recruits. There should be many ways in which the health of the Canadian people could be improved, as a result of the findings of the army doctors. Is the health branch not taking any steps to secure that information, or to remedy any defects which have been shown?

Mr. MACKENZIE (Vancouver Centre): Any information obtained as a result of the examination of recruits which may be accumulated and codified by the Department of National Defense will of course be of great value.

Mr. GREEN: It does not do much good to accumulate or to codify unless action is taken; unless the health branch takes some steps in Canada to improve the health of the Canadian people as a whole.

Mr. MACKENZIE (Vancouver Centre): Of course that is the primary function of the whole department, namely, to do what my hon. friend mentions. But surely it is premature to take definite action in connection with examinations which at the moment really rest with another department of government.

Mr. GREEN: The war has been on now for ten months, and thousands of these recruits have been rejected. I suggest to the minister it is high time the department started to do something about the general health situation disclosed by the findings of medical officers examining recruits.

Mr. POULIOT: Mr. Chairman, that branch cannot do anything about health. According to the detailed information at page 154 of the estimates, there is a director of public health services, receiving a salary of $5,940. Then there are nine clerks, one senior messenger, four stenographers and one typist —making a total of fifteen. Other than the so-called director of public health services, there is not another doctor. There are only clerks, messengers, stenographers and typists, and I do not know what those people could do to improve the health of the soldiers. This is another instance of red tape. I do not blame the minister for that, because he inherited the legacy from the former heads of the department. That branch is absolutely useless. It is just a branch of red tape. I have been blamed for saying that some civil servants were useless, but I do say now that three-quarters of the Department of Pensions and National Health could be cut out—and with good advantage to the country. I do not see why an unemployed man, or a man who works with pick and shovel and receives only a small amount per day, does not deserve more from the country than do those people who sit with their feet up on their desks doing nothing. Of course I do not blame the minister for that, but he should not have accepted the legacy without first having taken an inventory.

Mr. GRAYDON: Would the minister care to give the committee any information respecting new developments in connection with cancer research in the dominion?

Mr. POULIOT: I object to that, Mr. Chairman. You have been very strict, sir, on this item, and I point out that in connection with it there is nothing about the study of cancer. Certainly a study of cancer is not made by the director of public health, or by the clerks, or by the senior messengers, or by the stenographers, or by the typists, grade one. The hon. member from the flowery constituency in Ontario should wait for another item on which to discuss that matter, because it is certainly not relevant to this one.

Mr. MACKENZIE (Vancouver Centre): May I answer briefly by stating that I believe the Ontario government appointed a royal commission to investigate certain alleged cures for cancer. I believe, too, that the Canadian Medical Association have been active in the same direction and in the same connection. At the moment I do not know of any other provincial government directing operations along those lines.

Mr. QUELCH: Three clinics are being established in Alberta for the treatment of cancer. Is that not under the direction of the federal government?

Mr. MACKENZIE (Vancouver Centre): For treatment, are they not?

Mr. GRAYDON: Have the dominion government made any contribution towards such cancer research, or have they been asked by the government of Ontario to help in that connection?

Mr. MACKENZIE (Vancouver Centre): No.

Mr. HANSELL: Partly as a result of what has been said by the hon. member for Témiscouata (Mr. Pouliot), I should like to ask the minister under what item we may discuss cancer. I have looked through the items, and I believe the hon. member is quite correct when he says that they do not touch upon cancer at all.

Mr. MACKENZIE (Vancouver Centre): The hon. member is correct. I believe this is the only item in the estimates upon which he would be quite free to discuss a question as important as cancer.

Mr. POULIOT: That is all right, but, if my hon. friend would permit me to ask, I wonder who among the fifteen people mentioned as working in that branch makes a study of cancer. Sir, the minister may say someone does, but I insist that you be strict in the interpretation of the rules. I insist upon speaking only on the proper item, and if there is no item which deals with cancer, then I do not know how it can be relevant, on this item, to speak concerning cancer.

The CHAIRMAN: As I said a moment ago, when we come to an item respecting administration it is generally understood that the policy of a department may be discussed, unless such policy is particularly directed to a specific item provided otherwise in the estimates. In this instance we find at page 29 of the estimates item 237, dealing with health branch administration. There is no specific item covering the study or the prevention of cancer, and therefore I believe it is in order for any hon. member to ask questions of the minister respecting the prevention or cure of cancer.

Mr. HANSELL: I am not going to make a speech, but rise merely to ask one or two questions. I believe the government of Alberta has appropriated about $50,000 in the present year for the initial treatment of cancer, and in that connection they have established three clinics throughout the province.

An hon. MEMBER: Provincial.

Mr. HANSELL: I know. The health of the country is in the hands of the provinces, and in that respect it is in the same category as education, as was stated the other day. I would not be certain, but I am reasonably sure that the Alberta government did appropriate something for cancer research. I agree with the hon. member for Témiscouata when he states that we have a health branch, and yet I would point out that the provincial governments have health branches.

Mr. POULIOT: They have radium, too.

[Mr. Ian Mackenzie.]

Mr. HANSELL: Is any grant given to the provinces for the administration of health? I have particularly in mind the disease of cancer, but I would ask the general question as to whether any grants are given by the federal government to the provinces.

Mr. MACKENZIE (Vancouver Centre): I believe there is an amount of $50,000 for venereal diseases, but other than that there is none.

Mr. NICHOLSON: I am not quite satisfied with the information given to the hon. member for Vancouver South (Mr. Green) as to the health of the men applying for military service. While it is true that with a staff of fifteen one cannot expect to have a great deal of information compiled, the committee is appropriating $43,000, and I think by this time we should have a little more definite information regarding the health condition of the young men who have volunteered for military service in Canada since the war started.

Mr. MACKENZIE (Vancouver Centre): The department will endeavour to obtain that information, but it must be obtained from the department that is collecting it at the present time.

Mr. POULIOT: I would suggest that the $150,000 in the estimates for the League of Nations should be used to buy radium for cancer.

Mr. GREEN: When may we get the information as to the findings of the medical officers who have examined recruits? This is of vital importance. I do not think there is any doubt that thousands and thousands of young Canadians have been rejected on medical grounds, and I think the committee should have a summary of the reasons for which they have been rejected in order that action may be taken to remedy the causes of these defects.

Mr. MACKENZIE (Vancouver Centre): I must consult the Minister of National Defence (Mr. Rogers) upon that question.

Mr. GREEN: Can we get the information the next time the estimates of this department are before the committee of supply?

Mr. MACKENZIE (Vancouver Centre): It would have to come from the other department.

Mr. GREEN: Shall we be able to get the information from the Minister of National Defence?

Mr. MACKENZIE (Vancouver Centre): I shall be glad to tell my colleague right away.

Mr. HOWDEN: With regard to the information asked for by the hon. member for Vancouver South, I may say that to the best of my knowledge—and I am supposed to be a doctor—recent events have not disclosed any particular new form of illness to be brought to the attention of the science of medicine through the examination of recruits. Such examinations undoubtedly have disclosed incipient cases and old cases of venereal disease, tuberculosis and what-not, and such examinations as have been made of the recruits could not be expected to disclose any other forms of disease than those I have mentioned. No doubt constitutional diseases such as disease of the kidneys, the heart, and what-not have been found, but the science of medicine has known all these forms of disease for many long years, so I cannot see how the results of these examinations would be of any material benefit to the science of medicine as suggested by my hon. friend.

Mr. GREEN: I am worrying not about the science of medicine but about the health of the Canadian people.

Mr. HOWDEN: The two are the same thing.

Mr. GREEN: Not necessarily.

Mr. MacINNIS: I think this information would be of great value to the community because, after all, there must be causes for these diseases, and in order to find the causes we must know the facts. If people have been suffering from malnutrition, this committee should know it, but I rose particularly to ask about the nutritional survey which the department has been making, I understand, during the last few years. Is there a likelihood of a report on that survey being made in the near future?

Mr. MACKENZIE (Vancouver Centre): Reports will be published on these surveys, but I understand they are not completed yet.

Mr. MacINNIS: They will be shortly?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. MacDIARMID: Speaking as a newcomer, I think many rejections were caused by defective eyesight, defective hearing and deformities, and these I understand are not a matter for the federal health department. These defects have caused a great many rejections here.

Mr. POULIOT: Who is the director of public health services, and why is he getting an increase of $720 in these troublous times?

Mr. MACKENZIE (Vancouver Centre): The officer is Doctor J. J. Heagerty, and the actual increase is $240. I might explain that when the 1939-40 estimates were compiled, namely in November, 1938, this position, classified by the civil service commission, was described as "Chief Executive, Medical and General Assistant", and had as the maximum salary $5,220, which amount the incumbent of the position was then receiving.

The position was reclassified by the civil service commission and the title changed to "Director of Public Health Services", with a salary range of $4,800 to $5,100, to $5,400, to $5,700, to $5,940. The order in council, P.C. 46/751, was dated March 29, 1939, which date it will be noted was subsequent to the printing and tabling of the 1939-40 estimates. Under the terms of the order in council the reclassification was effective retroactively to April 1, 1938.

Since, as stated, the incumbent was at the time receiving $5,220, he was immediately entitled to an increase to $5,400, and on April 1, 1939, to a further increase to $5,700. From April 1, 1940, a year later, he is eligible for an increase to $5,940, which is the amount provided for in the estimates. The increase in salary to be paid to this employee during 1940-41, over that paid in 1939-40, is $240, and not $720, as the estimates would indicate.

Mr. LOCKHART: When the minister is obtaining the information asked for by my colleague the hon. member for Vancouver South (Mr. Green), would he be good enough also to bring down information as to the health of the troops generally. I am informed that a number of men have been returned from overseas as medically unfit. I fail to find in the estimates of the Department of National Defence any item on which we could ask questions about the health of the troops, so I think we might reasonably be allowed to pursue our inquiries now or be definitely assured that we shall be given an opportunity on some other item.

Mr. MACKENZIE (Vancouver Centre): My recollection is that there is a vote in the national defence estimates for medical services, and I think that would be the proper item. If I had the information, I would gladly give it. It comes under another department, but I shall consult my colleague immediately in regard to it.

Mr. LOCKHART: May I ask the minister, then, to follow up my question with respect to the health of the men who have been returned from overseas after being there for some time?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. NICHOLSON: I understand that the departments of health in the various provinces look after tuberculosis, cancer and other diseases. I am not clear as to the exact duties of this department, and I should like the minister to state the functions which this department performs and why we are being asked to vote $43,000 at this time.

Mr. MACKENZIE (Vancouver Centre): If my hon. friend would be good enough to study the evolution of public health policy in the Dominion of Canada, he would find that before confederation there was a certain degree of attention paid to public health in the four provinces then existing. The dominion had regulations in regard to public health as far back as 1667, with respect to the quality of bread and foodstuffs. In 1707 regulations were instituted for the inspection of meat, and in 1721 regulations in regard to quarantine. At confederation we had a system of public health established in all the provinces, and the respective jurisdictions of the provinces and the federal authorities were defined in the British North America Act.

Since then, the provincial governments have been responsible for hospitals, asylums and charitable institutions. The federal government was given charge mainly over quarantine and marine hospitals. Prior to 1919, when the health act was enacted, various additions were made from time to time to the public health functions of the dominion government. But it was not until that time that we had anything like a coordinated health policy in the Dominion of Canada. Under the 1919 act the services that were created or transferred to the national department of health were as follows:

Quarantine services, including leper stations.
Immigration medical services.
Administration of the Food and Drugs Act.
Administration of the Opium and Narcotic Drug Act.
Administration of the Proprietary or Patent Medicine Act.
Marine hospital services.
Venereal disease control.
Child welfare.
Statistics.
Housing.
Medical examination of civil servants.

By amendments to the present act, other functions and responsibilities have been added to the national health department, such as the laboratory of hygiene, public health engineering, the child and maternal hygiene division, the division for the study and control of epidemics, the division of industrial hygiene and the division of publicity and health education. In 1928, as my hon. friend is aware, there was an amalgamation of the old soldiers' civil reestablishment department and the old health department to form the present Department of Pensions and National Health.

The federal activities, about which my hon. friend inquires, are and have always been primarily concerned with the protection from infection and disease from abroad. As I said, this department deals with questions of quarantine, inspection of immigrants, impure foods, the control of habit-forming drugs and patent medicines, and in some cases importations of fruits, vegetables and live stock which are inspected to safeguard the consumer. The department has also instituted laboratories for carrying on research work and conducting necessary tests. I think this explains the varying jurisdiction as between the provinces and the federal authority with reference to health matters.

Mr. NICHOLSON: I have followed the remarks of the minister quite closely, but I find in the estimates that there are generous amounts provided for the different services to which he has referred. I notice an item for food and drugs, another for opium and narcotic drugs, another for proprietary or patent medicines, and so on. I still have not been advised as to the exact functions which would be carried on under this item covering health branch administration.

Mr. MACKENZIE (Vancouver Centre): The divisions to which my hon. friend has referred all have separate heads, but for the purposes of administration, and as requested by the Department of Finance, they all come under the health branch.

Mr. POULIOT: Then I am quite in order in discussing opium and narcotic drugs under this item because the chief of this branch is the super-chief of all these little branches. I can now see the relationship which exists. I did not know that before. I saw that this chief of branch was receiving a few hundred dollars more in salary than the dominion analyst, but I did not know his function in the department. Would I be in order to ask questions about other branches?

The CHAIRMAN: As I have mentioned a couple of times already, it is permissible to discuss questions of general administration under this general item of health branch administration, but there are other specific items. For instance, item 239 deals with opium and narcotic drugs. When we reach that item, these questions could be more properly dealt with.

Mr. COCKERAM: After the declaration of war there was some reference to the

Department of Pensions and National Health taking over the Royal Canadian army medical corps. Has that question been dropped?

Mr. MACKENZIE (Vancouver Centre): No such question was raised.

Mr. GREEN: In his opening statement the minister said that the department had been conducting health surveys of industrial plants. Could we have further details of those surveys?

Mr. MACKENZIE (Vancouver Centre): That would come under the item dealing with industrial hygiene.

Mr. GREEN: I understood the minister to say that his department was in charge of air raid precaution work in Canada. Could we have further information on that score?

Mr. MACKENZIE (Vancouver Centre): I shall be glad to give my hon. friend further information later on. Generally speaking, I may say that two years before war broke out, an interdepartmental committee was set up which dealt with the various committees and organizations which had been formed. One of these committees was under the chairmanship of the deputy minister of national health, and it had to do with questions of air raid precautions. This is being handled here the same as in England, where the matter is not under the defence department.

Certain recommendations were made by that committee, and certain officers of the department were sent to interview the governments of the four provinces most vitally concerned. In the first place, the vulnerable areas were defined by the officers of the Department of National Defence. The matter was referred by that department to the Department of Pensions and National Health. The governments of the provinces in which these potential vulnerable areas were located were asked for cooperation, which was given. Supplies were forwarded from the Department of Pensions and National Health. I believe there is a provincial air raid precaution officer in each of these four provinces. If my memory serves me correctly, last year a grant of $5,000 was made to each of the four provinces for the purpose of carrying on air raid precaution work. This work is entirely under provincial control, except that expert advice is available from this department to the municipalities or provinces directly concerned.

Mr. GREEN: Is there coordination between the men in charge in the four provinces?

Mr. MACKENZIE (Vancouver Centre): Yes. The officer in charge here has made several visits to each of the provinces to consult with the provincial officer.

Mr. GREEN: Would it not be better to have one man in charge of operations for the whole of Canada so that the precautions could be standardized.

Mr. MACKENZIE (Vancouver Centre): They are standardized. Objection was taken to that by the first committee—not the departmental committee—on the ground that this should be a civilian project. I believe in some instances it is called a civilian defence committee instead of an air raid precaution committee. The supplies sent out are identical, and pamphlets which were obtained from England have been distributed. The information given to all provinces is uniform and, generally speaking, the measures taken are uniform.

Mr. GREEN: Which are the four provinces?

Mr. MACKENZIE (Vancouver Centre): Nova Scotia, New Brunswick, Quebec and British Columbia.

Mr. MacNICOL: Is the department following the plan which was adopted in Great Britain where meetings were held in city halls or other public buildings?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. MacNICOL: These are public meetings, and the officials of the department explain what should be done in the event of air raids. I attended a number of those meetings on my last trip to the old country and I found them quite educating. I did not realize that the public could be instructed to protect themselves against air raids to the extent that was outlined at those meetings. Are similar meetings being held in the provinces to which the minister has referred?

Mr. MACKENZIE (Vancouver Centre): Speaking for my own province, I attended one of the meetings and heard the demonstration given. They have gone beyond that stage in most provinces.

Mr. MacNICOL: And all sorts of literature is being given out?

Mr. MACKENZIE (Vancouver Centre): And supplies.

Mr. ROSS (St. Paul's): The information in connection with the rejection of recruits is being collected, I understand, by the Department of National Defence. I have been informed that a great many rejections, certainly in the earlier stages, were the result of malnutrition. It seems to me that this information should be available as soon as possible for the use of the various provincial

departments. From what I could gather, a good many men were rejected because of malnutrition, although of course there were other reasons as well. Would it not be advisable to have that information put into the hands of the various provincial departments without delay? The Health League of Canada have been putting on what is known as a nutrition movement. The minister knows about it and it is an excellent idea. I urge that the information be given to the provincial departments as soon as possible so that they may begin to study the matter. Within a year, if that were done, the evil might be remedied. Certainly the information should not be allowed to accumulate in one place instead of being disseminated.

Mr. MACKENZIE (Vancouver Centre): Although the information is not available here at the moment, there is complete cooperation between the Department of National Defence, the Department of Pensions and National Health, and the various provincial departments.

Mr. COLDWELL: The question that has been put to the minister, and the series of questions initiated by the hon. member for Vancouver South (Mr. Green), are as important as any question which we shall have to consider in connection with this matter, because, after all, our greatest natural resource now and in the future consists of our men and women. The information asked for should be brought down. I happen to have with me the *Canadian Welfare* magazine for April and May issued by the Canadian Welfare Council at Ottawa, and I should like to read an extract that throws light on this question. I am going to quote from an article by Miss Charlotte Whitton. It is the report of an address which she gave before the Rotary club of Toronto.

Mr. POULIOT: She is more a propagandist than a technician.

Mr. COLDWELL: Nevertheless she occupies a position which enables her to speak with some knowledge of conditions, and at any rate the data she gives is worth considering. I quote:

> Many of these youths, many of these non-established men, frustrated and aimless, had become bitter with the years; many of them broken with their experience of idleness and need, but they have come forward in thousands to offer themselves for active defence of this country, and of the principles and ways of life, it cherishes. Yet, in different areas, different varying ratios of rejections are reported.
>
> Public relief departments report large groups of their clients, obviously ineligible because of age or condition, and heavy rejections of others, less obviously unfit; and of still others, because they have more than two children. The voluntary agencies, whose clientele are composed more largely of low income than of wholly dependent groups, report similar conditions, but with considerable enlistments from boys in their families, and of heads of families in the younger age groups.

This is the sentence to which I would call attention.

> But one of the largest of the voluntary agencies in the dominion reports only 245 men out of 1,505 likely to be at all eligible for active service; another reports that in a test group of 140 families, only 52 could have been considered eligible for enlistment—of these, 13 enlisted; 4 only were conscientious objectors; 35 others were employed and fearful of the uncertainty of ever getting work again, if they gave up; 88 were quite ineligible.
>
> Many of these groups are reported unfit for heavy pressure in speeded-up industrial or agricultural production. The inadequate functionings of democracy have rendered many of its would-be defenders partially incapable of its defence without vigorous measures for their care and conditioning.
>
> These examples of the slow undermining of the ways and vigour of our life, through the growth of insecurity and need in the margin land show what a long extended battle line must be held on the home front.

I recollect reading last autumn a letter written by the mayor of this very city to the Prime Minister (Mr. Mackenzie King) pointing out the large number of rejections in the month of September and suggesting that there might be opened in Canada here and there reconditioning depots where these young men might be fed and cared for and their health looked after in order to bring them up to the standard required for enlistment. It struck me as a most serious indictment of the economic and social system, that we should allow these young men to deteriorate, to fall into decay in times of peace when we have no use for them, and then all of a sudden wish to recondition them to defend our institutions. It was a tremendous indictment. I suggest that the department now before us and the various departments concerned should place before the house at the earliest possible moment figures that will enable us to find out exactly what the condition is so that we may face the facts. In my opinion the large number of rejections is due not to any functional defect at birth but largely to the kind of life which many of these young lads have had to live during the past few years. They have suffered from malnutrition—

Mr. MacNICOL: Not enough to eat.

Mr. COLDWELL: Not enough to eat. I am urging that we get that information. True, we are not responsible for the provincial health departments; but, after all, we are responsible for the defence of this country. We are responsible for the social and economic

conditions of the country to a greater degree than any province, and because the provinces cannot deal with the situation we must do so. I believe that we shall have to change many things in our present social and economic order to bring about this better condition of physical health among the great masses of our people.

Mr. POULIOT: The United States of America offer us in this connection an example that should be followed by this country. They have a programme to furnish hot luncheons to five million undernourished children in the schools. In the city of New York alone last year over 23,000,000 hot lunches were served, an average of about 120,000 a day. They understand there that it is important that children at school shall be well fed. My old friend Doctor Maloney of Australia sent me a copy of a speech that he made in Canberra advocating the distribution of free milk to school children, something that might well be done in this country, not only to help nourish the children but also to take care of the surplus production of milk. We may be told that this is not the business of this government; on the other hand often there are items in the estimates for grants that are not provided for in the British North America Act, but they are made just the same. I wonder if this government could not grant a special subsidy for that purpose to each province according to the school children population. It would be easy to vote a certain sum of money to be distributed to each province on the understanding that milk is supplied to children in schools, particularly in the poor districts, frontier settlements, mining districts and all the poorer communities.

Now sir, this being said, I could ask a minimum of ten thousand questions of the minister on this item, but I shall ask only two. Who writes the advertising and publicity for an amount of $10,000? Is it all done by the director of public health services, or by any of the nine clerks, the senior messenger, the four stenographers or the typist?

My second question is, who is being transported by the travelling expenses of $2,500? Is it the director of public health services, or one of the typists, messengers and clerks? And now I think of another question: If the director of public health services travels to the extent of $2,500, who takes charge of the clerks, senior messenger, stenographers and typist while he is away, and who does the health work of the department, because he is the only technician in that branch, the only doctor? Does he do it by wireless?

Mr. MACKENZIE (Vancouver Centre): In regard to publicity, the director of publicity does write the publications referred to by the hon. member.

Mr. POULIOT: Who is he?

Mr. MACKENZIE (Vancouver Centre): Mr. Rowse.

Mr. POULIOT: Is he a doctor?

Mr. MACKENZIE (Vancouver Centre): No.

Mr. POULIOT: Ah!

Mr. MACKENZIE (Vancouver Centre): In regard to travelling expenses, if my hon. friend will look at section 11 of the Pensions and National Health Act there is reference there to the Dominion Council of Health. That item is for the convening in Ottawa—the custom has been twice a year—of the Dominion Council of Health, which consists of the deputy ministers or senior health officers of the various provinces of Canada to consult and confer with the health officers of the department in order to have as far as possible a coordinated health policy for the Dominion of Canada.

Mr. POULIOT: I thank the minister, and this last item is the only one that deserves our support and commendation in this whole vote of $43,000. They have a man who is not a doctor writing on health; you might just as well ask a bootblack to describe the moon. I have been savagely attacked by some Ottawa papers for my stand on the civil service. I admit there are good men in the service; but here we see red tape, and that I strongly denounce. And if any hon. member or any man of the Tory party, including the hon. member for Waterloo South (Mr. Homuth) dares to attack me on this matter, I will take every item of the estimates and show the red tape that exists. It will be perfectly relevant to each item.

Let me tell hon. members more than that. I have a chart for each department, and I know how many people are there, doing absolutely nothing, when we cannot get a vote for our constituencies. I do not see why these people can fatten themselves at the expense of the state. Yet we hear some kindly souls saying, "Well, the poor civil servants, they are doing their duty." They are doing nothing! There is Mr. Heagerty; he says, "Hello, hello." I wonder if he gives medical care to his staff; he has enough for that. Apart from that, I do not see his utility. Imagine the publicity that he puts out being written by a layman! What do the doctors in this house think of that? What can be the use of that? Just to light the fire with; that is all. I hope

the minister will give consideration to that. I am strongly against all the Tories in the Department of Pensions and National Health; they have been a public nuisance; they are kept there because—"oh, well, they are Tories; we must not be hard on them; we must not show political partisanship." It is not partisanship, but we must have a policy of retrenchment; let us retrench them.

Mr. MACKENZIE (Vancouver Centre): One observation I think should be made in regard to the remarks of the hon. member. First, I have not been in the department very long—

Mr. POULIOT: I do not blame the minister.

Mr. MACKENZIE (Vancouver Centre): I am not entitled to either blame or commendation, but I have had the privilege of reading "Health in Canada" written by Doctor Heagerty, and in my judgment as a layman, he is one of the finest writers on public health anywhere. In regard to Mr. Rowse, his publication has received great commendation from the press of Canada—and there is no credit to me concerning it; it was organized before I went there. I believe he has done excellent work under the supervision of one of the ablest health officers in Canada.

Mr. POULIOT: The minister says he does not care for blame or praise. He might regret that; for if he does not care for praise, he might get blame.

Mr. BRUCE: In the air raid precaution work has the department the cooperation of the St. John Ambulance Association?

Mr. MACKENZIE (Vancouver Centre): Very definitely; they have done excellent work in cooperation with the department along these lines.

Mr. BRUCE: That is very valuable. The hour is late; I shall speak only a moment; I should like to commend very much the statement made to-night by the hon. member for Rosetown-Biggar (Mr. Coldwell). There is no question about the fact that a great many young people who have no work to do suffer from ill health; and if they are on relief they may suffer from undernourishment. Perhaps it is not the business of the department of health, but I suggest that possibly a report from this department to the proper authorities might assist in the establishment of camps or some places where these young men could be kept at work and regain their physical fitness, not only improving their physical health but their moral health as well.

Mr. McCANN: The hon. member for Témiscouata (Mr. Pouliot) may be in a position to criticize some of the legal fraternity, but I submit to you, Mr. Chairman, and to this committee that he is in no position to give a detailed criticism of the officers of the public health department. The gentleman who occupies the position of director of public health services is known to the medical profession of Canada as one of the outstanding men in his particular line. He needs no second man to write his publicity; as an author and lecturer he has demonstrated to the people of Canada who know anything about public health matters that he is an ace in his specialty.

None of us appreciates health until we have lost it. Health is the greatest asset of any people. The Montreal *Star* carries in each issue, in large letters, the words, "A nation's health is a nation's wealth." That is very true. It takes a war to bring to the attention of a people the question of their physical fitness. Just as the last war demonstrated to all those countries engaged in it that large numbers of people were physically unfit, so has the present war demonstrated that a great many of our young men who have volunteered their services are physically unfit. It is all very well for the hon. member for Rosetown-Biggar (Mr. Coldwell) to speak about reconditioning men, but you cannot recondition men as you can recondition automobiles. He will have to go back to some of the grandparents of these men; that is where some of the reconditioning should have started. I am not so much afraid at the present time that our people are going to suffer as a result of nutritional deficiencies, but I say that is a matter which should be given attention, because generations yet unborn will probably suffer by reason of some of these deficiencies.

The discussion to-night has run the gamut of many matters having to do with public health. I shall not attempt to answer all the questions which have been asked; that is not my province, but perhaps my knowledge of some of them may enable me to offer intelligent answers. Mention was made of the statistics or information regarding men who have been rejected for military service. That is not something which can be secured in a day or two. The results of the examinations which are being made of men offering to enlist will have to be correlated, coordinated and studied before any definite information that will be of any use can be given to the public. Last year before war was declared, and at the September session, many medical men in this house, including the then leader of the opposition, made the suggestion that all men

who enlisted should undergo complete physical examinations, including X-ray examination. We all fell in line with that suggestion, and that has been a splendid procedure. We all know the enormous amounts of money that have been and are being spent for pensions, practically $50,000,000 annually, and in all something like a billion dollars of the money of the people of this country for pensions since the last war. A large part of that huge amount—I will not say a major part—has gone for disabilities that might have been noticed before the men enlisted but which became acute only during active service. Particularly is this true with reference to tuberculosis; and the very fact that these men are now receiving a thorough examination, with X-ray plates taken of their chests, in the end is going to save this country an enormous amount of money.

I submit that this has been splendid work on behalf of the government and that they should be commended for the particular attention they are giving this matter. When that information does come from the Department of National Defence, it will be passed on to the proper health authorities; and indeed, even at this moment, when a man tries to enlist and it is found upon examination that he has tuberculosis, that fact is immediately communicated to the provincial authorities and the medical health officer of the community from which he comes. I do not know whether this policy obtains over the whole of Canada. I do know it obtains in Ontario; and if it does not obtain in other provinces, it is because of some lack of regulation in the health departments of those provinces.

It is not the duty of the director of public health services merely to sit in an executive capacity. He coordinates the information received from different branches of the public health service throughout the entire department. Let me say in commendation of the public health department that they have made remarkable progress in the last four years. I remember that when I first came into this house in 1936, in one of my first speeches I was somewhat critical of the public health department. I made the suggestion at that time that we should have a national research department in connection with the health service. My suggestion fell upon deaf ears, apparently, but we have had research in nutrition and along certain other lines. Several departments which were dormant have been reestablished, such as the maternal and child hygiene branch and the division of epidemiology. Certain services were carried on by voluntary agencies, with the assistance of grants from this government; these departments are being reestablished, and are doing splendid work. Their work has outgrown the services which were being rendered by the other agencies at that time.

One does not see any great publicity with regard to the activities of the public health department, for the very reason that we do not sufficiently appreciate either our individual health or the health of our people until we get some epidemic or scourge and begin to lose that greatest of all assets. I submit that the department of health is doing good work; that its influence is spreading; that it is coordinating the work of the health departments of the provinces. Perhaps many hon. members do not appreciate the fact that in each province of this dominion there is an active department of public health. Some of those provincial departments are subsidized by this government in certain directions. For instance, last year Ontario received $50,000 from the federal government to aid in carrying on its campaign of education and treatment with regard to venereal diseases. Of course I readily understand—

Mr. MacNICOL: Do you mean in addition to the vote?

Mr. McCANN: I have not noticed just yet.

Mr. ROSS (St. Paul's): That was $50,000 for arsenicals, was it not?

Mr. McCANN: For treatment.

Mr. ROSS (St. Paul's): For all the provinces.

Mr. McCANN: It is all for the same disease, anyway. We could well afford to have that particular appropriation increased. I would say, too, that voluntary agencies in Canada doing public health work should get increased rather than decreased grants.

For instance, let us consider the Health League of Canada. I see in the appropriation this year that there is a cut from $10,000 to $5,000. I can hardly see the justification for that, but perhaps I am not sufficiently well informed at the moment to pass judgment upon it. I do know, however, that the Health League of Canada is carrying on a campaign of publicity and education that is worth to Canada many times the appropriation made by the federal government. At present they are putting on a campaign in Toronto, and are depending upon the voluntary subscriptions of public-spirited people in that city in order that their work of education may be carried on. The results they have obtained

over the years stand out as a beacon light in the public health services of Canada. What they have done in connection with venereal diseases, what they have done in educating the people with respect to the administration of toxoid for diphtheria cannot be measured in dollars and cents. When you have public-spirited men of the type of Doctor Bates and other prominent men in Toronto who wish to continue the great work they are doing, then I say they should have an increased appropriation from this government and should receive continued—

Mr. POULIOT: Support.

Mr. McCANN: —support from the people of the whole country.

Another matter brought up to-night had to do with whether this government has been doing anything in connection with the investigation of cancer. Of itself, I do not think that it is; but probably hon. members will not forget that the King George cancer fund is still in operation, and that money from that fund is given to the Banting Institute in Ontario, and to clinics from one end of the country to the other, so that research may be carried on and treatment continued in clinics in different cities. I do not remember at the moment just how that fund originated, but I believe it was a jubilee fund, and has grown from public subscription.

Let us for a moment consider the publicity branch of the federal health department. That branch is not costing very much money, but it is doing an enormous amount of work. I doubt very much if persons outside the members of the medical profession and men particularly interested in public health work in Canada ever read the articles or information given out by the publicity branch of the federal health department. So I say to you, Mr. Chairman, that as a medical man and one who has been interested in public health for a quarter of a century, I am satisfied with the progress of the federal health branch, and I wish them continued success, and that they may have an ever-broadening sphere of influence.

Mr. POULIOT: Mr. Chairman, my good friend the hon. member for Renfrew South (Mr. McCann) should be thankful to the hon. member for Témiscouata for having accorded him an opportunity to make such a nice little speech. I fully agree with what he has said about Doctor Bates, but Doctor Bates does not receive a cent from this vote, with the exception of what he receives for travelling expenses. On the other hand, as a layman—and my hon. friend speaks as a medical man—I would ask him if the school children, the parents of the school children and the farmers around Renfrew will not agree with the suggestion previously made by the hon. member for Témiscouata respecting the free distribution of milk in schools. If they agree with that suggestion made by a layman, I ask the hon. member for Renfrew South why as a medical man he has not made that suggestion before.

Mr. McCANN: In answer to the hon. member for Témiscouata let me say that I agree one hundred per cent with the suggestion he has made, but I would point out to him that this is a matter which rests entirely with the provincial department of health and the health branches in the various municipalities. So far as Renfrew is concerned, I would tell the hon. member that throughout the county of Renfrew and in the town of Renfrew we have as fine a health service as exists anywhere in the whole of this dominion. The children there are under the supervision of a public health nurse, and those children, along with the hon. member for Témiscouata, any time at eleven o'clock in the morning can get a pint of milk, free, from the municipality of Renfrew.

Mr. GREEN: Following up the remarks of the hon. member for Parkdale (Mr. Bruce), may I strongly urge upon the government that steps be taken at once to set up works battalions in Canada in which those young men who have tried to enlist for overseas service but who have been rejected may enlist to do work at home.

There are many kinds of work which can be done in connection with the preparation of the defence forces of this country, and that work could be done by battalions of this type. The present situation is that many of these young men are unfit because in depression years they had to ride back and forth across the country on freight trains. They have gone to the recruiting offices, have been turned down and have received blue slips. In fact, I understand they are now known as the blue-slip brigade. I think nothing would do more to build up the bodies of those young men, nothing would do more to improve their morale than to give them an opportunity to enlist in works battalions or in some such units which could do work of the kind I have mentioned. I am asking the minister to let us know to-night what he thinks about a proposal for a scheme of that type.

Mr. MACKENZIE (Vancouver Centre): I have carefully noted the remarks just made by my hon. friend.

Item stands.

Progress reported.

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

Friday, June 7, 1940

The house met at three o'clock.

STANDING COMMITTEES

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messieurs:

Abbott
Anderson
Bertrand (Laurier)
Diefenbaker
Douglas (Weyburn)
Factor
Fair
Fleming
Fournier (Hull)
Gershaw
Gibson
Gladstone
Gray
Gregory
Kirk
Leger
Mackenzie (Vancouver Centre)
MacNicol
McCuaig
McDonald (Pontiac)
Mills
Mutch
O'Brien
Pinard
Pouliot
Power
Roy
Tremblay
Weir—29.

(Quorum 10)

MISCELLANEOUS PRIVATE BILLS

Messieurs:

Bertrand (Prescott)
Bonnier
Casselman (Edmonton East)
Castleden
Chambers
Cleaver
Cloutier
Coté
d'Anjou
Donnelly
Douglas (Queens)
Durocher
Eudes
Evans
Gibson
Gillis
Gladstone
Graham
Green
Hansell
Harris (Grey-Bruce)
Hazen
Healy
Hlynka
Hoblitzell
Howden
Jutras
Lacombe
LaCroix (Quebec-Montmorency)
Lalonde
Lapointe (Lotbinière)
Lockhart
Macdonald (Halifax)
Macdonald (Brantford City)
MacKenzie (Lambton-Kent)
McCann
McGregor
McIlraith
Matthews
Mayhew
Parent
Poirier
Pottier
Ross (St. Paul's)
Roy
Senn
Stokes
Telford
Veniot
Wood—50.

(Quorum 15)

BANKING AND COMMERCE

Messieurs:

Black (Cumberland)
Blackmore
Bercovitch
Blair
Casselman (Edmonton East)
Claxton
Cleaver
Coldwell
Donnelly
Dubuc
Eudes
Factor
Fontaine
Fournier (Hull)
Fraser (Northumberland, Ont.)
Fraser (Peterborough West)
Graham
Gray
Hanson (York-Sunbury)
Harris (Danforth)
Hazen
Hill
Jackman
Jean
Johnston (London)
Kinley
Lacroix (Beauce)
Laflamme
Lapointe (Lotbinière)
Macdonald (Halifax)
Macdonald (Brantford City)
Macmillan
Marier
McGeer
McIlraith
McNevin
Martin
Maybank
Mayhew
Moore
Perley
Picard
Quelch
Raymond
Ross (St. Paul's)
Slaght
Thorson
Tucker
Ward
Woodsworth—50.

(Quorum 15)

PUBLIC ACCOUNTS

Messieurs:

Abbott
Anderson
Authier
Bercovitch
Black (Yukon)
Blanchette
Bourget
Brooks
Casselman (Grenville-Dundas)
Casselman (Edmonton East)
Church
Clark
Cote
Cruickshank
Desmond
Ferland
Fleming
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser (Northumberland, Ont.)
Fulford
Gladstone
Golding
Grant
Graydon
Henderson
Homuth
Isnor
Johnston (Bow River)
Leader
MacInnis
Marshall
McCubbin
McDonald (Pontiac)
McGeer
McIvor
Mullins
Mulock
Purdy
Rickard
Roebuck
Ross (Hamilton East)
Slaght
Thorson
Tremblay
Tripp
Veniot
Winkler
Wright—50

(Quorum 15)

STANDING ORDERS

Messieurs:

Bertrand (Prescott)
Brunelle
Cockeram
Denis
Douglas (Weyburn)
Edwards
Golding
Graydon
Jaques
MacLean (Cape Breton North-Victoria)
Marier
Marshall
McGibbon
McLarty
McLean (Simcoe East)
O'Neill
Rennie
Ross (Moose Jaw)
Stokes
Sylvestre—20.

(Quorum 8)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messieurs:

Bertrand (Laurier)
Bertrand (Terrebonne)
Black (Cumberland)
Bourget
Chevrier
Corman
Coté
Crerar
Damude
Douglas (Queens)
Dupuis
Emmerson
Eudes
Factor
Farquhar
Fournier (Maisonneuve-Rosemont)
Fulford
Gingues
Gregory
Hanson (Skeena)
Harris (Danforth)
Hatfield
Healy
Howden
Howe
Isnor
Jackman
Jaques
Jean
Johnston (London)
LaCroix (Quebec-Montmorency)
Little
Lizotte
Lockhart
MacInnis
MacKinnon (Kootenay East)
MacNicol
Maybank
McCulloch
McIvor
McKinnon (Kenora-Rainy River)
McNiven
Mills
Mullins
Nicholson
Nielsen (Mrs.)
Nixon
O'Brien
O'Neill
Pickard
Pouliot
Roebuck
Ross (Moose Jaw)
Ross (Calgary East)
Ross (Souris)
Shaw
Sissons
Turner
White
Whitman—60.

(Quorum 10)

AGRICULTURE AND COLONIZATION

Messieurs:

Authier
Aylesworth
Black (Chateauguay-Huntingdon)
Blair
Cardiff
Clark
Cruickshank
Davidson
Dechene
Desmond
Diefenbaker
Donnelly
Douglas (Weyburn)
Douglas (Queens)
Dupuis
Fair
Ferron
Fontaine
Gardiner
Gershaw
Golding
Hallé
Harris (Grey-Bruce)
Hatfield
Henderson
Jutras
Kirk
Lafontaine
Lalonde
Lapointe (Lotbinière)
Leader
Leclerc
Leger
Lizotte
MacDiarmid
MacGarry
MacKenzie (Lambton-Kent)
Matthews
McCuaig
McCubbin
McNevin
Mullins
Nielsen (Mrs.)
Perley
Poirier
Quelch
Rennie
Rhéaume
Rickard
Ross (Souris)
Ross (Middlesex East)
Rowe
Senn
Soper
Sylvestre
Tomlinson
Turgeon
Tustin
Weir
Wright—60.

(Quorum 20)

PRINTING

Messieurs:

Bercovitch
Bertrand (Terrebonne)
Blanchette
Bourget
Casselman (Grenville-Dundas)
Castleden
Chambers
Chevrier
Claxton
Cloutier
Corman
Damude
Denis
Dubois
Durocher
Edwards
Emmerson
Esling
Evans
Ferland
Fleming
Fraser (Peterborough West)
Furniss
Goulet
Grant
Green
Hallé
Healy
Hlynka
Hurtubise
Kuhl
Leader
MacDiarmid
MacKinnon (Kootenay East)
MacLean (Cape Breton North-Victoria)
McGregor
McNevin
Mills
Moore
Mulock
Nicholson
Purdy
Rhéaume
Ross (St. Paul's)
Sinclair
Sissons
Soper
Tucker
Tustin
Weir
White
Whitman
Winkler
Wood—54.

MARINE AND FISHERIES

Messieurs:

Bradette
Brooks
Brunelle
Crète
Dechene
Deslauriers
Farquhar
Ferron
Gauthier
Gillis
Green
Hanson (Skeena)
Hazen
Kinley
Kuhl
Lapointe (Matapedia-Matane)
Leduc
MacInnis
MacKenzie (Neepawa)
Macmillan
McCann
McLean (Simcoe East)
Neill
Pottier
Reid
Roy
Ryan
Stirling
Telford
Tomlinson
Tripp
Tustin
Veniot
Ward
Warren—35.

(Quorum 10)

MINES, FORESTS AND WATERS

Messieurs:

Adamson
Authier
Black (Yukon)
Bradette
Brooks
Cockeram
Crerar
d'Anjou
Edwards
Esling
Evans
Furniss
Grant
Hansell
Hill
Hurtubise
Johnston (Bow River)
Lacroix (Beauce)
Lafontaine
Leduc
Little
MacNicol
McCann
McCulloch
McDonald (Pontiac)
McKinnon (Kenora-Rainy River)
Nielsen (Mrs.)
Parent
Sanderson
Sinclair
Sylvestre
Tremblay
Tripp
Turner
Warren—35.

(Quorum 10)

DEBATES

Messieurs:

Blanchette	Ross (Middlesex East)
Claxton	Ross (Moose Jaw)
Esling	Rowe
Hlynka	Shaw
Pinard	Sinclair
Pouliot	Ward—12.

(Quorum 7)

INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs:

Abbott	MacGarry
Blackmore	MacInnis
Bruce	MacKenzie (Neepawa)
Church	Macmillan
Coté	MacNicol
Dubuc	Massey
Deslauriers	McCann
Eudes	McNiven
Fournier (Maisonneuve-Rosemont)	Mutch
	Neill
Gingues	Nixon
Goulet	Roebuck
Hanson (Skeena)	Ross (Calgary East)
Hoblitzell	Ross (Hamilton East)
Homuth	Sanderson
Jean	Slaght
Laflamme	Stirling
Leger	Turgeon—35.

(Quorum 10)

LIBRARY OF PARLIAMENT

Messieurs:

Adamson	Lizotte
Aylesworth	Macdonald (Halifax)
Blanchette	MacKenzie (Neepawa)
Bruce	MacKenzie (Lambton-Kent)
Cardiff	
Casselman (Grenville-Dundas)	Macmillan
	Marier
Castleden	Martin
Coté	Mayhew
Emmerson	Moore
Eudes	Poirier
Farquhar	Pouliot
Fontaine	Purdy
Fournier (Maisonneuve-Rosemont)	Raymond
	Reid
Gershaw	Rickard
Goulet	Rogers
Graham	Ross (St. Paul's)
Green	Shaw
Henderson	Telford
Howden	Winkler
Hurtubise	Wood
Jaques	Woodsworth—44.
Jean	

Mr. MACKENZIE (Vancouver Centre) moved that the report be concurred in.

Motion agreed to.

POWERS OF COMMITTEES

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

That the standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

INDUSTRY AND THE WAR

REFERENCE TO PROPOSED ADVISORY COMMITTEE—CONFERENCE OF CANADIAN MANUFACTURERS WITH CABINET

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, on the 23rd of February last the Prime Minister (Mr. Mackenzie King), in his third broadcast in the election campaign, is reported to have made this statement:

With the war and its problems growing in intensity and magnitude, I shall seek, if we are returned to power, to bring to the aid of the ministry, in an advisory capacity, a still larger number of men of outstanding ability and experience whose services in one way or another might be made available to the state, and add strength to the administration of our policies. How best their services might be consolidated and used, whether in an immediate association with the war cabinet, or with a member of the cabinet, intimately associated with its war activities, is something that I would like to consider with my colleagues before the next parliament reassembles.

This was an important statement. It will be noted that these men of outstanding ability and experience were to be brought in to the aid of the ministry in an advisory capacity, and are to be distinguished from those already or afterwards brought in as administrators or executives. Nothing happened, and more than three months passed, when, on the 31st day of May last, at Winnipeg, the Canadian Manufacturers association issued a statement expressing "a deep-rooted conviction"—

. . . that there exist some definite causes that are responsible for Canadian plants receiving orders for only a small percentage of their capacity, and respectfully urges the Canadian government to send governmental ministerial representatives to England to clear away misunderstandings presently existing, in order that Canadian industry may be speeded up immediately and take its full share in the defence of our empire and country.

That statement gave expression to two or more important ideas:

(a) That Canadian industrial plants were not being utilized except in a small degree;

(b) That immediate action as indicated should be taken to speed up production in Canadian industry in order that it might take its full share in the defence of the empire and country.

From a press report it would appear that yesterday, June 6, thirty members of the Canadian Manufacturers association had a two-hour discussion with the cabinet on this important matter, but no word was given out beyond this, that the conference had been mutually helpful—which sounds like the Prime Minister, and does not mean much in the

way of concrete information to the public as to what is being done—so that Canadian industry may do its full part in contributing to empire and Canadian defence. In this morning's papers is an announcement, however, that "plans looking to a more complete mobilization and control of Canadian industry for war effort are being worked out by the government."

May I ask the Prime Minister to take the house and the country into his confidence and tell us:

1. If it is the intention of the government to set up an advisory committee composed of men of outstanding ability and experience whose services might be made available to the state and thus add strength to the administration of our policies.

2. Is this advisory committee not to propose new policies?

3. What, if any, arrangements have been made with the committee of the Canadian Manufacturers association to further the objects of that association in speeding up and taking their full share in industrial activity for the defence of the empire and Canada?

And finally:

4. While parliament is in session should not all such important announcements of policy and administration be made by the Prime Minister or by the appropriate member of the cabinet in the house?

I do respectfully protest that public announcement of policy in respect of matters of vital importance should be made here. Otherwise we shall be reduced to the status of rubber stamps.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have a fairly good memory but I doubt very much whether I can claim to be able to remember all that my hon. friend has read from the document he has before him.

Mr. HANSON (York-Sunbury): Perhaps I should have sent it to the Prime Minister.

Mr. MACKENZIE KING: As my hon. friend has just mentioned, he did not favour me with notice in advance that he intended to bring up the matter to-day. However, may I say to him at once that I agree with his point of view regarding important announcements of public policy being made in the house, and that is one reason why I thought it well to give the press the abbreviated statement I did yesterday with respect to the interview that took place between members of the manufacturers association and the government. It leaves me free to make a statement now to the house for the first time as to what took place at the conference.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): That is what we want to hear.

Mr. MACKENZIE KING: I took occasion to ask the large representation of manufacturers who were present if they would like to have the press called in to the conference. It was intimated in reply that it would be preferable that the conference should be held within the confines of my office in the manner in which it was being conducted, and that the press be not invited to be present.

The conference was devoted to the consideration of a resolution passed at a recent meeting in Winnipeg of the manufacturers association. The conference was between members of the government and this large representative delegation. It was arranged at the earliest possible moment after the request for the conference had been made; and it was I think agreed by all at the conclusion of the meeting that it had been mutually helpful and eminently satisfactory. One of the subjects brought up was the question of sending to the old country some member of the ministry and, possibly, delegates from the manufacturers association who might while there endeavour to clear up any misunderstandings—I believe that was the word—which might exist with respect to the desire of the government of Canada to have as much manufacturing done in this country as possible as a result of orders which might be placed here from Great Britain. The members of the association were given information by different members of the government as to the steps that had all along been taken fully to advise the British government of Canada's industrial capacity and of the desire both of the government and of the manufacturers to cooperate in every way in taking the fullest advantage of that capacity to fill orders for the British government; of the many representations that had been made by ministers of the crown in telegrams and in other ways to the British government with respect to possible orders that might be placed here; etcetera, etcetera. At the end of the discussion of that point it was suggested that perhaps a better way of effecting what was desired would be to have Mr. Massey, the High Commissioner in London, immediately bring to the attention of the British government the fact that representatives of the manufacturers association and members of the government had met together, had discussed the question of orders that might be placed in Canada, and that he should press upon the British government, particularly the departments of that government which would have to do with matters of the kind, the earnest desire, both of the government of Canada

and of the manufacturers, to have such business placed as quickly as possible and, to as large an extent as possible. I believe it was felt that that method of making the presentation would be better than sending over another minister of the crown, to be accompanied by representatives of the manufacturers association.

The members of the delegation were surprised, I think, to learn of the many representations that had been made by different members of the government, and by others authorized by the government to make them, to the British government regarding our desire to obtain such orders as might be placed here, and our ability to fill them.

The other question discussed at some length was that of having some outstanding industrialist placed in a position where he could help to supervise production being carried on in Canada, particularly the class of supplies that come under the direction of the Minister of Munitions and Supply. I doubt whether, at the time the representations were made, the gentlemen who were making them had any idea of the extent to which leading industrialists and businessmen in Canada had already been drafted into the service of the government in connection with the production of munitions and supplies. The representatives were told of what had been done in that regard, and the offer was made immediately by my friend and colleague, the Minister of Munitions and Supply, that if the members of the delegation had any one to suggest in whom they would have more confidence than those already engaged in that capacity, and would submit his name, the minister would immediately see that he was taken on to assist in the supervision of the production of munitions and supplies in his department.

With regard to what I said in the course of the recent campaign, my hon. friend has quoted me correctly. I did say, with respect to what might be best in the connection mentioned, that I would wish to confer with my colleagues in the government and take the steps that seemed advisable. We have been most successful not only in bringing, in an advisory capacity, many of the leading industrialists and business men in Canada into the departments concerned with the speeding up of Canada's war effort, but we have been doubly fortunate in securing the services, in a good many instances without remuneration, of some of those gentlemen to assist from day to day in the work of actual administration of the departments concerned. I need not mention individual names though I might perhaps mention one as an illustration. In the Department of National Defence for Air, as my hon. friend knows, we were successful in obtaining the services of Mr. James Duncan, an exceptionally able business executive, who is giving his services to the country without remuneration, not only giving the benefit of his advice on many matters on which we have had occasion to consult him but also giving his entire time to the work of the air ministry as acting deputy minister. In the Department of Munitions and Supply the minister has been fortunate in drafting into that department some dozen, I think I am right in saying—

Mr. HOWE: Some eighteen or twenty.

Mr. MACKENZIE KING: —eighteen or twenty, as my hon. friend tells me, leading industrialists or business men who are giving the benefit of their counsel and advice to him, and through him to the government, and not only that but are actively participating in the work of the direction of production of supplies with which that department is engaged. I might mention other cases in other departments, but I hope I have illustrated in a general way the method by which the government have been seeking to implement, if not in whole, in part at least, the undertaking which I gave during the recent general election campaign.

There are times and seasons for all things. The government is by no means relaxing its efforts to secure the right persons to assist in war work. Whether or not, or just when, it may be best to have the ministry itself enlarged, is a matter still under consideration. But I can assure my hon. friend that it is one to which I am giving, in collaboration with my colleagues, the most careful consideration.

Mr. HANSON (York-Sunbury): The Prime Minister overlooked the first part of my inquiry, in regard to the setting up of an advisory committee. Perhaps he will give further consideration to that.

STATEMENT AS TO PROPOSED CONFERENCE WITH LABOUR ORGANIZATIONS

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): In view of the statement of the Prime Minister in regard to consultations with leading industrialists, will he inform the house whether the heads of the central labour organizations have been invited in for similar consultations?

Mr. MACKENZIE KING: I am glad to be able to tell my hon. friend that immediately after yesterday's conference I gave instructions to arrange a similar conference next

week with representative labour organizations. The Minister of Labour (Mr. McLarty) some time ago had this in mind and has been seeing representative heads of the different organizations for purposes of consultation.

UNITED STATES VISA LAW

EXECUTIVE ORDER REQUIRING PASSPORTS FROM CANADIANS CROSSING BOUNDARY

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to call the attention of the Prime Minister (Mr. Mackenzie King) to a press report from Washington under yesterday's date, to which no doubt his attention has been directed as Secretary of State for External Affairs, that the state department of the United States government has announced that after July 1 passports and visas will be required from Canadians and others desiring to visit the United States.

I do not for a moment question the validity of such action, but in view of it I would ask whether the government of Canada have taken or propose to take similar action requiring passports from citizens and residents of the United States and citizens of other countries on this hemisphere wishing to visit Canada? I make this request because I am aware that there are in the United States many persons, members of the so-called German bund, who may come to Canada for purposes beyond those of mere tourists, and whose presence in Canada at this time would be wholly undesirable.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I anticipated that some hon. member might ask a question on this matter, and I am glad the hon. leader of the opposition has asked the question. The laws and regulations of the United States, as I think my hon. friend is fully aware, require that persons entering the United States from most countries must have a passport, bearing a visa signed by a consul, before they are permitted to enter the United States. There have been exceptions to that requirement in the case of Canada and central American countries, also I think in the case of the West Indies and Bermuda. However, under this latest regulation the exemption is now removed and all persons going into the United States after July 1 will be obliged to have a passport and visa.

The executive order which has now been issued is in part general in its terms. It provides that aliens desiring to come to the United States temporarily must establish a legitimate purpose or reasonable need for their presence in the United States, and must establish also that they will depart from the United States at the conclusion of their stay. They must also present conclusive evidence that they will be admitted to the country of their nationality or some other foreign country to which they intend to return or proceed after departing from the United States.

The executive order also provides for the suspension on and after July 1, 1940, of the exemption from passport and visa requirements which was previously extended to citizens of Canada, Newfoundland, St. Pierre-Miquelon, Mexico, Cuba, Haiti, the Dominican Republic, Panama, Bermuda and the British, French and Netherlands West Indies. It has further been announced that different regulations will be established with respect to persons who have entered the United States for permanent residence on immigration visas and who may be returning from a temporary absence abroad. No additional documentation will be required from United States citizens proceeding to or returning from the territories mentioned.

Our government has already made representations to the government of the United States on this matter, and we shall continue to take up within the next day or two the different questions that are likely to arise out of this new order. I cannot at the moment indicate just what is in the mind of the government with respect to passports as between Canada and the United States, but I would say to my hon. friend that he need not be surprised if, following a tradition which is well known, at least to the party on this side of the house, something in the nature of reciprocity should it serve Canadian interests, might be considered in relation to passport requirements.

Mr. HANSON (York-Sunbury): I hope the Prime Minister will do so in this case, because it is a matter which especially affects those of us who live in western New Brunswick, as in order to get to Ottawa we have to travel through the United States, or else spend a whole day of further travel to go by the all-Canadian route. I have lived alongside the United States border all my life, I have been accustomed to go back and forth as and when I pleased. If the Canadian government can make any arrangement with the United States government for the passage of through passengers between Montreal and New Brunswick I personally shall be greatly obliged.

Mr. MACKENZIE KING: It is questions of just that kind that will be carefully considered between the legations. As far as my hon. friend is concerned I can promise him that we will do the best we can to get him a pass.

CANADIAN ACTIVE SERVICE FORCE

RECRUITING OF FORESTRY AND RAILWAY CONSTRUCTION COMPANIES

On the orders of the day:

Hon. NORMAN McL. ROGERS (Minister of National Defence): On Monday last in answer to a question I stated that the Canadian government had indicated its readiness to provide both railway and forestry troops to the United Kingdom. I may say now that, pending information which the army council through the war office is sending us regarding the types of such units which would be most useful at this time, authority has been given to enlist a number of specialists for service with the British forces and to recruit four forestry companies and four railway construction companies for service overseas.

Mr. HANSON (York-Sunbury): That is good; we are getting action at last.

UNEMPLOYMENT RELIEF

QUESTIONNAIRE SENT TO MANUFACTURERS BY ADVISORY COMMITTEE TO NATIONAL EMPLOYMENT COMMISSION

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): I wish to direct a question to the Minister of Labour. Will the minister table forthwith the record and form of questionnaire referred to by the hon. member for Nanaimo (Mr. Chambers) when he stated yesterday, as reported on page 564 of *Hansard*, that the advisory committee of which he was a member sent out questionnaires to almost every manufacturer in business right across Canada asking, in effect, if they anticipated a shortage of skilled labour, and if something should be done about it, and their replies; asking in effect whether the training should be done by the manufacturers or by the government of Canada, and their replies. It was stated by the hon. member that this is a matter of record. If so, will the minister table forthwith this record and report?

Hon. N. A. McLARTY (Minister of Labour): My impression is that the information which the hon. member has requested is contained in an appendix to the report of the national employment commission. However, I shall be glad to look into it, and if it is not there I shall be glad to table a copy of any such questionnaire.

Mr. HANSON (York-Sunbury): The hon. member for Nanaimo said it had not been tabled.

Mr. McLARTY: I think the appendix to the report of the national employment commission, contains the questionnaire and the results of the questionnaire, though I have not checked it up. If that is not so I shall be glad indeed to table a copy of it.

Mr. HANSON (York-Sunbury): We want to know where to find it.

Mr. ROSS (St. Paul's): Yesterday when the hon. member referred to the replies he said they were composite replies to these questionnaires. I should like to have something more than simply what the composite replies were, if we could have that information tabled.

FOREIGN EXCHANGE

PAYMENTS AGREEMENT BETWEEN FRANCE AND CANADA TO EFFECT STABILIZATION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Following the practice my hon. friend has correctly emphasized, of making important announcements in the first instance in the House of Commons, I should like to make a brief statement as to an agreement respecting payments between Canada and France which was effected yesterday by an exchange of notes with the new French minister, M. Ristelhueber. An immediate effect of the agreement, which is in force from the date of signature, is the stabilization of the rate of exchange between Canada and France, with a view to promoting trade between the two countries under war conditions. The agreement provides, within certain limits, for accumulation of French francs by Canada, and for orderly repatriation of Canadian securities now held in France. Both these measures will provide France with the means of making additional war purchases in Canada. The agreement is for an indefinite period but may be terminated by either country on three months' notice. The provisions affecting private individuals or firms in Canada are summarized as follows:

(1) Payments by a resident of Canada to a resident of France or the French empire may be made only in Canadian dollars or French francs.

(2) Where payments are made in French francs, these francs must be obtained through the Foreign Exchange Control Board. In other words they cannot be acquired in a third country.

(3) The Foreign Exchange Control Board will fix an official rate for French francs.

The foreign exchange control board may be expected to acquire French francs as a result of payments by residents of France or

the French empire to residents of Canada. The agreement provides that these francs cannot be sold in, or used for payments to, a third country. Any net accumulation of French francs by the foreign exchange control board under the agreement will be guaranteed against depreciation of that currency and a similar guarantee is given to France against depreciation of the Canadian dollar. The agreement also provides that the foreign exchange control board will, within certain defined limits, authorize the orderly liquidation in Canada of Canadian securities now owned by residents of France.

REPATRIATION OF CANADIAN SECURITIES HELD IN FRANCE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Has the government any estimate as to the extent of the securities now held in France which may be repatriated in Canada? I think that is rather an important matter upon which the house should receive some information.

Hon. J. L. RALSTON (Minister of Finance): I think probably the house would be more interested in the amount which is to be repatriated, but at the moment I think I can only say that, as has been indicated, it is to be an orderly repatriation of so much within a certain period. I should prefer not to give the amount. As a matter of fact we have a very general estimate of the amount of Canadian securities held in France. My hon. friend can understand that under present conditions it is difficult to get anything that is at all accurate.

Hon. R. B. HANSON (York-Sunbury): I should like to say that in my opinion the minister is absolutely right and that the amount should not be divulged. It is private business.

MARKETING OF WHEAT

CEREALS IMPORT COMMITTEE—WHEAT BOARD ADVISORY COMMITTEE

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): Will the Minister of Trade and Commerce (Mr. MacKinnon) inform the house who is acting in Canada for the cereals import committee of the United Kingdom? Would he also tell the house whether James R. Murray of Winnipeg has been acting in any advisory capacity to the wheat board or to the government? While he is on his feet he might also tell the house whether he proposes to appoint the advisory committee to the wheat board which was definitely promised during the campaign by the Minister of Agriculture (Mr. Gardiner) and by the minister's predecessor, Hon. Mr. Euler.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I think I could answer the various questions just asked by the hon. member, but perhaps it would be better to give a prepared answer. Therefore I shall take this as a notice of question and reply at a later date.

VOLUNTEER CIVIL GUARDS

QUESTION AS TO SUPERVISION OR CONTROL BY DEPARTMENT OF NATIONAL DEFENCE

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): During the last week or ten days Toronto newspapers have been reporting the formation in various Ontario municipalities of units known as volunteer civil guards. Will the minister inform the house whether he has knowledge of such an organization and, if so, whether his department has any connection with it or supervision or control over it?

Hon. NORMAN McL. ROGERS (Minister of National Defence): The only guards for which the Department of National Defence has assumed responsibility at the present time are the units of the veterans home guard, as announced in this house some time ago. In addition, there will be reserve companies of veterans which will be attached to the non-permanent active militia units for training purposes, but I think it is a well-established principle that the Department of National Defence can assume responsibility only for such units as are under military discipline and administration. The other organizations to which my hon. friend refers are entirely voluntary. The question as to whether they can be utilized for purposes of home defence is a matter that is receiving consideration at the present time.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—UNDERTAKINGS IN GENERAL INTEREST AND FINANCIAL ASSISTANCE TO PROVINCES

The house resumed, from Thursday, June 6, consideration in committee of the following resolution — Mr. McLarty — Mr. Fournier (Hull), in the chair:

That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress out of moneys appropriated by parliament, and for such purpose to supplement the measures taken

by the provinces towards providing assistance to those in need, establishing unemployed persons in employment and training and fitting suitable persons for productive occupation, and also to provide financial assistance to the provinces by way of loan, advance or guarantees out of unappropriated moneys in the consolidated revenue fund, and for the appointment of necessary officers, clerks and employees.

Mr. BROOKS: Last night when the house rose at six o'clock I was discussing this resolution, and had referred particularly to appendix "C" of the Hereford report, respecting statistics of training and enrolment of trainees for the national forestry programme. I had pointed out that of the total of 309 trainees enrolled in New Brunswick, eighty had found employment. I was going on to say that the cost of training in that province had totalled $38,525, which, to me, seemed out of all proportion to the benefits which had been derived. I had also pointed out the unfair methods of selection for enrolment in this, and I believe in every other scheme which had been carried out by the New Brunswick government.

I do not wish to dwell at greater length on this matter, but I would recommend to the Minister of Labour that if any further relief is necessary, or if money is voted for relief projects in New Brunswick, the federal government, and particularly the department over which the minister presides, should exercise more care in respect to any expenditures which may be made in that province. I would recommend that he see to it that moneys are more equitably distributed among those who are in need. In my opinion this could be done through the federal government, or possibly through the municipalities. From what I have seen of the Minister of Labour since he took office, and in fact during the whole of the last five years, I have great faith in his fairness in the administration of his department. I believe the people of New Brunswick would have more faith in the distribution of these moneys by the federal department of labour than in any distribution which might be made by local governments.

Last night I spoke respecting contracts which have been let throughout Canada. I am sorry the Minister of Munitions and Supply (Mr. Howe) is not in his seat at the moment, but in his absence may I commend his department, or whoever has been responsible for the release, through the office of the director of public information, of the document I have in my hand. It indicates to me, as it must to people throughout Canada, that there is now action in the Department of Munitions and Supply.

But there is one thing absent from the report, and that is any indication of great activity in the province from which I come. The release is thirty pages in length, and looking through those thirty pages, although I find details respecting the expenditure of many millions of dollars—in one week the amount was something like $15,000,000, and it is indicated in the press that something over $1,250,000 is being spent daily—the only amount over $5,000 I can find as having been spent in New Brunswick is an item of $8,577.21 in connection with a shipbuilding contract given to the St. John Dry Dock and Shipbuilding Company of St. John. The other day when I mentioned this matter the Minister of Munitions and Supply stated that he was interested in getting results and getting them quickly. With that attitude I heartily agree. But it does occur to me, as I am sure it must to many other persons, that possibly because the city of Ottawa is in Ontario and closely adjoins Quebec, and because the industrial centres of Toronto and Montreal have easy access to departments at Ottawa, some preference may be given to those larger centres, with the result that outlying districts are overlooked.

I do not wish the Minister of Munitions and Supply in any way to impair his war activities, but I would ask him to consider carefully the possibility of giving equal opportunities to all sections of the country in the providing of munitions of war and necessary equipment. As I said yesterday, all parts of Canada are given equal opportunity to provide soldiers, and we should all be given equal opportunity to provide munitions and equipment. I believe action along that line would tend to bring about in greater degree that unity in Canada of which we have heard so much in the last few years.

With regard to unity, I would say that in listening to the debates which have taken place in the house during the last four or five years it has occurred to me not once, but time and again, that this so-called unity of Canada has been stressed to the detriment of that greater unity—the unity of the British empire. The results of the last election have been held up to us as proof that Canada is a united country. I am not so sure of that, nor do I believe that the people of Canada are so sure of it to-day. Unity in a country is not judged by the froth of an election. Public opinion can be changed, and does change very quickly, not only in Canada but in every other country. Governments come and go. But there is something deeper than all this: it is the unity which springs from the mutual suffering and sacrifice of a people, a sacrifice borne equally by all men and women, no matter in what part of the country they may live, no matter what their political affiliations, no matter what their race or creed. The only

real test of unity in this country is that every citizen of Canada, every man and every woman from the Atlantic or the Pacific, should bear his or her full share of the burden in the terrible stress under which Canada is now labouring.

Mr. W. F. KUHL (Jasper-Edson): When in the light of this resolution one considers the untold misery and suffering which a large proportion of the people of Canada have gone through in the last ten years he contemplates a situation sufficiently grave to cause him to weep. For ten long years the people of this great and potentially wealthy country have been crying out for bread, and here, in this resolution, they have another stone.

If we lived as long as Methuselah there might be some justification for our exercising a little patience in waiting for the vanishing of poverty from our country. But since our life span is placed at a mere threescore years and ten it behooves us to make the most of every minute that we live. Those who have administered the affairs of this country for the last ten years are supposed to be of the same flesh and blood as the suffering multitudes of Canada, but when I look at the resolution before us I have a hard time convincing myself that such is the fact.

In view of the conditions obtaining in Canada to-day the resolution now before us is child's play. We are merely playing house when we endeavour to deal with a condition of unemployment and agricultural distress in the manner provided in the resolution. We ought to act as grown-up men and do really big things, rather than play and dilly-dally with this very urgent question. Poverty should have been banished from this country long ago. I wonder how long the devotees of orthodoxy intend to go on without changing their policy? Are we going to wait until infuriated and indignant people storm the doors of this parliament? How long are the common people to wait for poverty to be banished from this country?

I should like to advance this afternoon as briefly as I can two reasons for my belief that an orthodox government, be it Liberal or Conservative or what have you, can never deal effectively with the unemployment situation. This resolution implies that unemployment is not a permanent condition. I submit that there is every evidence that the condition of unemployment, the condition of being freed from nature forced labour is here to stay. The man hours required to produce any article are steadily decreasing. Those who support orthodox governments are attempting the mathematically impossible in trying to solve this problem. This is my first reason for believing that any orthodox government will never be able to deal effectively with this condition of unemployment. The rules, regulations and laws which have been enacted permit an individual, a company or a corporation to set up machines which take the place and do the work of anywhere from 100 to 1,000 men.

On the one hand orthodoxy is saying to the people: we shall put you out of work, we shall put in a machine which will do away with the necessity of human effort. On the other hand, orthodoxy is saying: you must work, we shall put you to work. It is an impossible task to put people to work when you are putting them out of work at a much faster rate. The substitution of machines for man-power, our technological advancement, is one phase of our unemployment problem which is not given sufficient attention. It is the most important factor which must be taken into consideration when dealing with unemployment.

I should like to place a few statistics on the record to indicate to those who say that we must put our people to work the extent of the task with which they are confronted. Anyone who has made the slightest investigation of technological advancement in industry will realize that the number of man hours used in industry is gradually on the decline. The number of man hours required to produce a unit of production is constantly decreasing; thus we have increasing hours of unemployment. I have a few figures to indicate the extent to which this has taken place in industry. No doubt this change will continue to take place to an even greater extent in the future.

The figures I have refer to United States industry. Unfortunately we have little in the way of statistics in connection with Canadian industry and must rely upon United States statistics. But the conditions in the two countries are parallel; what is true of United States industry is equally true of Canadian industry. The war is consuming tremendous amounts of iron and steel, so that statistics in connection with that industry will be in order. For those who contend that there are plenty of jobs available this information should be interesting. Most of the figures I am about to give are taken from a publication entitled "Technological Trends and National Policy," published by the national resources committee of the United States in June, 1937.

We are told that a hundred years ago one man could produce only twenty-five tons of pig iron in a year. To-day, with increased efficiency and a greater use of machinery, one man is able to produce 100,000 tons in a year. How are we going to find jobs for people

in the iron and steel industry? We are informed also that to-day the iron and steel industry uses one ton of coal to carry on the operations that required three tons of coal only a few years ago. This means that more coal miners are being put out of work because of this advancement in production methods. A bolt making machine operated by one man and one boy can now do the work which previously required 6,000 men. This means a saving in wages of $85,000 per week. What are the putters-to-work going to do in the face of a situation like that?

In the automobile industry it took 250 men in 1930 to finish 100 automobile blocks; in 1935, nineteen men could do the same work in the same time—in a period of five years the number of men required for this operation decreased from 250 to 19. We are informed that the production in the Chevrolet foundry in Saginaw increased 290 per cent in ten years, while 13,872 men were eliminated. These figures indicate that required hours of labour are definitely on the decrease while the rate of production is steadily on the increase. One man with an acetylene torch for cutting steel can do work in one half hour which previously took thirty hours. A welding machine employing three men does the work which previously required 18. Examples such as these in the iron industry can be multiplied *ad infinitum*. I am putting on record just a few to indicate the principle involved.

Here are some figures in connection with coal production. How are we to put our miners to work when we are confronted with such a situation as this? A century ago twelve man hours were required to produce a ton of coal; to-day the same quantity can be produced in 1·33 man hours. Surface mining requires only a half man hour per ton. Under these circumstances where are we to find opportunities of work for our miners?

In these days we hear a good deal about the Red Cross. The women folk knit socks and other garments for the boys at the front. It is a worthy occupation and a patriotic one. But we are informed that to-day one knitting machine can make three million loops in the same time that the human hand can make three hundred. If our objective is to obtain socks and sweaters and whatever else is required in the way of knitted goods with the least possible effort and in the shortest possible time, the use of machines for this purpose would be far more economical.

As regards the electrical industry, we learn that in the past it required 710 men to make 40,000 electric light bulbs in one hour: to-day one man with a machine can produce the same number in the same time.

Figures in connection with agriculture are just as startling. I have not very many here. An outstanding example is the mechanical cotton picker. We in Canada are not directly concerned with cotton-picking, but I mention this machine to indicate what is going on in the agricultural world. The Rust Brothers' mechanical cotton picker does the work of 300 men, and we are informed that it is possible to manufacture one complete machine in nine minutes. That means that if these machines were produced continuously, 300 cotton pickers would be deprived of jobs every nine minutes.

Mr. GLADSTONE: I wish to lodge an objection to any discouragement of the women of Canada knitting socks for the boys at the front. It is common knowledge that the socks knitted by the women of Canada are retained by these boys, and washed, and washed again, because of the greater comfort in wearing them as contrasted with machine-made socks.

Mr. KUHL: I am sure the hon. member knows right well that there was no imputation or suggestion on my part that the women folk should be discouraged from doing this work. The hon. gentlemen is merely trying to make political capital. All I am endeavouring to indicate is what those who support orthodox policies, including the hon. member who has just spoken, are confronted with when they try to put people to work.

Just a few miscellaneous references to some small machines which, nevertheless, produce things which we use every day of our lives, and which have supplanted much of the human effort required in times past to produce these articles. One man with one bottle-making machine replaces 54 men; two men with one coal conveyor displace 50 men; one man with a glass-making machine replaces 20 men; one man with a cigarette-making machine replaces 100 men; one excavating machine does the work of 15,000 men. In 1901 one man could print a thousand letterheads in an hour; to-day one man can print 20,000 in the same time.

The principle of decreasing man hours per unit of production applies not only in the substitution of machines for physical effort, but in respect of work which requires mental effort. A bank clerk operating an automatic reckoner deals in an hour with 60,000 entries and displaces sixty other employees. One could multiply examples of this nature.

I have spoken of some of the devices which are in use at the present time. What would be the condition if industry were using those other inventions which have been acquired by monopolies and shelved because to utilize them would reduce profits? How many man

hours would really be required to-day under those circumstances to produce our standard of living or a much higher standard? I venture to suggest that we should be very much astonished at the limited number of man hours which would be sufficient to provide us with the highest possible standard of living.

Figures in connection with power production are startling. Electrical power is one of the biggest agencies displacing human effort. A single turbine working twenty-four hours a day produces the equivalent of 9,000,000 manpower. Here are some figures of production in 1929:

	Horse-power (millions)	Man power (millions)
Great Britain	175	1,750
U.S.A.	704	7,040
Germany	175	1,750
France	70	700
Total	1,124	11,240

To divide that man power, produced in electrical energy, equally among the two thousand millions of people in the world would provide approximately five mechanical power slaves for each man, woman and child. If we limit it to the countries named, it provides approximately forty mechanical slaves for every British citizen and approximately fifty for every United States citizen. Why all this talk about being obliged to keep our noses to the grindstone, seeing that we have approximately fifty mechanical slaves at our beck and call if we wish to employ them? And this applies only to existing production. How many more mechanical slaves would be available for the population of Canada as well as for every other country if advantage were taken of all the water power and the electrical energy that could be created?

To indicate the sum-total effect on our national economy I wish to put on record a table showing exactly what has happened in the major industries in the matter of employment—the number of man hours required for the output, and the output per man power. These statistics have reference to American industry, but the conditions that prevail there are largely those that prevail in Canada, so that our situation here is pretty well reflected in the tabulation. This is a comparison of two years, 1919 and 1936, and the index figure for the year 1929 is taken as 100. First I will give the figures of the percentage of employment for the two years 1919 and 1936. The figures are as follows for the industries named:

Industry	1919	1936
Agriculture	178	78
Boots and shoes	104	97
Sugar refining	130	93
Chemicals	110	113
Cotton goods	101	93
Fertilizers	128	78
Iron and steel	100	103
Leather manufacturing	145	103
Pulp and paper	90	101
Cigarettes	136	115

Next we have a comparison of the number of man hours required in the total production in each of these industries in the years 1919 and 1936. The number of man hours is considerably less in 1936 than it was in 1919:

Industry	1919	1936
Agriculture	175	62
Boots and shoes	107	80
Sugar refining	130	60
Chemicals	115	90
Cotton goods	100	73
Fertilizers	130	62
Iron and steel	121	78
Leather manufacturing	148	87
Pulp and paper	100	88
Cigarettes	140	95

The most important part of this table is the output per man power, and again the comparison is between 1919 and 1936.

Industry	1919	1936
Agriculture	58	119
Boots and shoes	83	139
Sugar refining	65	140
Chemicals	45	138
Cotton goods	86	131
Fertilizers	70	123
Iron and steel	50	113
Leather manufacturing	71	128
Pulp and paper	60	121
Cigarettes	31	135

Another interesting comparison gives four figures in connection with the total number of man hours required to produce the total output of the United States. The total man hours required for total output in that country were, for the years indicated:

Years	Total man hours
1919	28·17 billions
1929	22·74 "
1935	14·78 "
1938 (less than)	11·00 "

It will be seen that there was a drop from 28·17 billion in 1919 to less than 11 billion in 1938. That is a decrease of 68 per cent in total man hours required for the total production of the United States. At the same time as the man hours were being reduced the rate of production was increasing. Taking 1919 as 100, it was 160 per cent in 1929, though it went down to 121 per cent in 1935.

Figures of this kind can be multiplied indefinitely to show that it is mathematically

impossible to put people to work under such conditions. I stated at the beginning of my remarks that I would advance two reasons for the belief that those who support orthodox methods will never be able to deal effectively with the unemployment situation. As the second reason for the statement that orthodoxy is unable to deal effectively with the condition I suggest that the orthodox economists base all their proposals on a false premise, namely, that the economic system exists to provide jobs. I submit that the economic system does not exist to provide jobs. What orthodoxy is trying to do, as I have already pointed out, is to put people out of work on the one hand and on the other to put others to work at the same time. In my opinion they can be justifiably accused of very gross inconsistency. If the object of the system is to provide jobs, let us do away with the machines which are doing the work. But orthodoxy says no. Well, you cannot have the machine and the jobs at the same time. You cannot eat your cake and have it as well. If we are to have the machine we must submit to unemployment and if we want jobs we must do away with the machinery and put everyone to work by the pick and shovel method.

The only commonsense objective of an economic system is to provide the maximum amount of goods and services with the minimum amount of work and trouble. Work as we ordinarily describe it is not an object but merely a means to an end, and that end is to produce an abundance. Man was created with intelligence and he has been using his intelligence to free himself from drudgery and to provide himself with more leisure. To suggest that man's activities should be summed up in the words "sleep, eat and work" is to suggest that he should live according to the standards of the animal kingdom. Man is worthy of a far nobler objective than merely to eat, sleep and work. Unemployment should not be looked upon as an evil, it should be a welcome thing. It is misnamed; it should be described as leisure. Leisure is not a loafer's paradise; it is something which everyone strives for at some time in his life. Why do men in their youth and in their prime exert themselves to set aside all the purchasing power they can for their later years? Simply that they may have leisure—not a time in which they will loaf and bask in the sunshine but a time in which they can resort to voluntary activity, to cultural pursuits, music, art, literature, science, physical culture, all those phases of cultural activity in which people engage because they love to. All our citizens are entitled to leisure, but to be leisure it must be accompanied by security. What we need to-day is a more equitable division of the hours of labour and the hours of leisure, so that those who are obliged to render service are not exhausted at the end of the day's work, and those who have nothing but leisure are not demoralized.

The real problem that faces us is not one of finding jobs. I am quite prepared to concede that in time of war we must do everything possible to provide all the human energy necessary. But it is becoming apparent that, even with to-day's demand for man power, all the man power available is not required by Canada to carry on her part in in this war. We have observed that it is a mechanical war to a much greater degree than any war in the past. The real problem which the government has on its hands is not one of finding jobs, but one of seeing that the hours of labour and the hours of leisure are more equitably distributed so that we all have to do some of the necessary work, and also all have some of the leisure which the modern machine has provided. We ought to plan our system so that the highest possible standard of living shall be attained.

The second problem is that of devising a system of distributing the products of the machine—the abolition of poverty; that is the first job which the government should undertake. In season and out of season we have urged from our part of the house that this cannot be done through industry conducted in the present fashion. By that I mean that industry is not self-liquidating. The product of the machine cannot be distributed through the income which is received by those who take part in industrial activity. To-day there is far more generated in the way of prices than there is in income, and the difference can be met only by subsidizing the consumer to the extent of the difference between total income and total prices.

I observe that in the estimates the appropriation for public works for the coming year is reduced by around $17,000,000. If Canada's participation in the war requires the labour of people who would otherwise be working on public works and other public enterprises, then by all means we must see that their services are directed into Canada's war effort. But if their services are not required in that effort then I see no reason why we cannot carry on a public works programme as well as fight this war effectively. The only limit that there should be to doing anything in this country is the man hours and the materials available. The same idea applies to work in the parks, parks beautification, reforestation and other national projects; there is no

reason why these activities should be contracted in time of war if we have the materials and the man power available to carry them on. So far as these are required for carrying on the war let the other activities be discontinued, but otherwise why allow our people to perish for the want of something to do?

The hon. member for Témiscouata (Mr. Pouliot) sarcastically suggested that we are advocating utopia. I find that the dictionary defines "utopia" as a state of perfection. We are not advocating a state of perfection; we simply say that whatever is physically possible and desirable should be made financially possible; that if the people of this country can furnish the man hours and the materials to provide a high standard of living, they should have it, and no man and no government should stand in their way.

One concluding word in regard to dealing with agricultural distress.

The ACTING CHAIRMAN (Mr. Fournier, Hull): Order. I regret to have to inform the hon. member that he has spoken for forty minutes.

Mr. KUHL: If the committee will bear with me for just two minutes I will conclude.

Some hon. MEMBERS: Go on.

Mr. KUHL: With regard to agricultural distress, I feel—

The ACTING CHAIRMAN (Mr. Fournier, Hull): The hon. gentleman may not proceed unless he has the unanimous consent of the committee.

Mr. LAPOINTE (Quebec East): I think we had better let the hon. member conclude; otherwise he can sit down and then start all over again.

Mr. KUHL: Thank you. I will conclude quickly. I feel that there is a tendency on the part of some hon. members at least to look upon the aid which is given to agriculture as not being deserved by the agriculturists, as a handout, and to look upon agriculturists as objects of charity. That is not a right attitude. Any assistance given to agriculture is justly deserved. I consider it a primary duty of a government to do for its people what they cannot do for themselves. When any section of society cannot solve its problems for itself it is the duty of government on every occasion to step in and assist them in solving their problems. Otherwise what is the object of a government? I see no other purpose in having a government. That is what governments are for.

In conclusion, Mr. Chairman, I suggest that the government as well as my Conservative friends abandon their orthodox ideas in endeavouring to solve our national problems and subscribe instead to policies which will really bring about the desired results. It is high time that the devotees of orthodoxy shelve their ideas in the museum of natural history, where they should have been placed a long time ago. Systems were made for men, not men for systems. Let us admit, as surely conditions have forced us to admit, that the old system can no longer deal effectively with our problems. Let us be frank about it, and let us change our system so that man may be permitted to live instead of merely exist.

Mr. J. R. MacNICOL (Davenport): In dealing with this resolution concerning unemployment relief, it is not my intention to thresh old straw or to discuss whether or not previous bills founded on similar resolutions were sucessful. We have been told by various hon. members that the results achieved under previous bills were largely if not wholly unsatisfactory, but that is water which has passed through the mill. In my judgment we should be looking forward now and realizing the conditions that this country and the empire are facing. It is my intention to endeavour to suggest something that may be of help to the minister either in framing the bill, if it is not already framed, or in amending the bill at a later time. I think that is my duty. What is past is gone; and I am thoroughly convinced that if Canada and the empire lose this war, it will not make a bit of difference what we say or do here, as far as the future of this country is concerned; it will be a blackout for Canada and for the empire. I have no thought that such will be the case, but we should get on with the business covered by this resolution. There is yet time; the situation is not yet lost, and if we rise to the occasion we can materially assist in doing what in my judgment is the most important thing to be done to-day; that is, to rally this country to the fullest possible extent to assist in winning the war.

In my opinion four things are required to win the war. Of these the first is food, the discussion of which I shall leave to those better acquainted with the production of food. The other three are men, money and munitions, and it is the last item with which I propose to deal, particularly the part of the resolution which reads:

> . . . establishing unemployed persons in employment and training and fitting suitable persons for productive occupations . . .

I have in mind what the Prime Minister of Great Britain said a few days ago in his masterly, epic speech in regard to the retreat from Flanders, perhaps the greatest and most glorious retreat in the history of the world.

Before concluding his remarks, Mr. Churchill said that the British empire and France would not be defeated; that though Great Britain had to fight the battle alone, and even though Great Britain herself were overrun, the battle would be carried on from the parts of the British empire outside the old country itself, until victory was achieved. That is the bulldog spirit and, as a Britisher from the soles of my feet to the crown of my head, I am convinced that this empire and France will win. As a Canadian I want to do all I can to help win the war, and I want to try to help the minister.

A great deal has been said about Canadian plants and factories. A large part of my life, perhaps twenty-five years of it, was spent in factories. I know, or I should know, something about factories; I have served in them all the way through, from the bottom to the top. To-day Canadian industry can do a great deal more than it is doing. If Canadian industry were operating to capacity, which it is not, it could do infinitely more. But if Canadian industry attempted to reach capacity, I do not believe we would have enough trained men in the country to take care of the plants and equipment. Even with Canadian industry up to its capacity, this would not be sufficient; we must go a great deal further. We must have a great deal more industrial activity if we are to do what is expected of us; that is, rally all our resources to help win this war.

Three years ago I made a fairly thorough survey of industry in Great Britain. At that time, as hon. members will remember, Great Britain had commenced to rearm; but, in common with Canada and the United States, they had been through a severe depression that lasted for several years. Many men who had been expert mechanics at fifty-five years of age reached sixty-five before they again had an opportunity to resume their labours. In the interim they lost a great deal of their finesse and expertness in production. Youth, for the same reason, had not had an opportunity of learning trades for a number of years. The same situation existed in Canada and the United States; but when Great Britain came face to face with the necessity for getting busy and producing for her own defence, what did she do? During that time I surveyed many great factories and many industrial areas in the old land, and what did I find? I found that every available expert mechanic in England was employed. I found great efforts being made to rehabilitate mechanics expert in some of the hundred and one lines of trade that go into the production of war equipment. I found that they had established vestibule schools adjacent to their plants for the rehabilitation of those men who had lost their finesse.

Mr. McLARTY: I find my hon. friend's remarks extremely helpful, and I should like to ask a question. Were those schools established by the industries themselves, or were they under government supervision?

Mr. MacNICOL: I am just coming to that. I stated that a number of industries had established, adjacent to their plants, vestibule or rehabilitation schools in which former mechanics were retrained and youths given an opportunity to learn. My recollection is that the government of the old country assisted financially, to a considerable extent, in the setting up and operation of those schools. I well remember reading the Manchester *Guardian* one day while I was surveying, I believe, the great John Brown steel works in Sheffield. That newspaper had six pages, of six or eight columns each, closely printed, of want ads. Each one pertained to mechanics of one kind or another. Those papers came to Canada and the United States, and to the best of the information I could obtain in England, subsequently, after I returned home, in Canada, and on a later trip to Washington, some 25,000 expert mechanics left America to work in British industrial plants. Many of those mechanics were former Englishmen, Scotchmen or Irishmen, who probably welcomed the opportunity to return home.

The British government then passed a measure to speed up the training of youth. The age of employment went down to fourteen years. I am not going to discuss whether it should or should not have gone down to that point; that is not a question with which I am faced. They were confronted with a great problem and they set out to accomplish what had to be done, and to win what they had in view.

If my memory is correct, they paid one-half the cost of training youth. I believe that, during the past two or three years, to a great extent Great Britain has overcome the lack of trained mechanics in that country, and is to-day producing beyond the greatest possible hopes of the government or the producers in England, three years ago.

Mr. McLARTY: Was the other half paid by industry?

Mr. MacNICOL: The British government paid half the cost of training.

Mr. McLARTY: Yes; I understand that. I am asking if the other half was paid by industry.

Mr. MacNICOL: Yes. The British government looked upon their contribution—and in this I stand subject to correction, because what I am relating goes back to a time three years ago—as one which otherwise they would have had to give to the unemployed in relief payments.

On returning to Canada I made a thorough survey of industry in which I believe I covered some two hundred plants reaching all the way from the maritimes to Winnipeg. I did not go west of that city. I found that Canadian industry had not yet been seized of the necessity to do what was being done in England. In the United States, however, I found a determination to place themselves in a position to withstand any attack which might be made upon them. Finding themselves in much the same position as that in which England had been some three years ago, what measures were taken by people in the United States?

These measures I am now going to try to present to the minister as clearly as I can in the hope that if there is anything concrete in my suggestions, they may be used in the great task he has in hand. Three or more years ago—up to three years ago it had been developed fairly well—Civilian Conservation Corps camps were in operation in the United States. Their development was not so much for the purpose of rehabilitating industry as it was an effort to save their youth. The youth among the unemployed constituted a great number of those who were affected.

It was my good fortune to visit many of the CCC camps. I shall not detail what I found, more than to give some idea of the basis upon which the camps were organized. Who were taken into those camps? Something was said last night by an hon. member sitting to my left about the retraining of youth, the moral development of youth and matters of that kind. All that was considered in the CCC camps.

I have before me a booklet which deals particularly with the subject of eligibility for enrolment, and which I obtained on my last trip to Washington. It states:

> Eligibility for enrolment in the corps for junior enrollees was confined to unmarried male citizens of the United States between the ages of seventeen and twenty-three, both inclusive, who are unemployed and in need of employment, and who are willing to allot $22 per month of their $30 cash allowance to dependants. Single unattached young men without dependants are eligible under the new law to be selected and enrolled in the corps. This group is given permission to deposit, subject to later repayment, $22 per month in lieu of allotment to dependants.

Some of course had lost parents; their parents were either dead or not capable of being located, and to those was allowed the privilege of saving $22 per month. Slightly more than three per cent of enrolments in a year were in that category.

In 1938 there were 270,000 young men in camps situated throughout the forty-nine states of the union. Those young men were trained. I spent many hours in their camps, both in the daytime and during the night. At night they attended camp schools, where they obtained excellent training and education.

Another short paragraph in the book I have before me would, I believe, be worth reading. It refers to the functions of personnel and teaching staff, and is in these words:

> 1. To plan, supervise, and direct the work of enrollees on work projects.
>
> 2. To teach enrollees desirable work practices, living habits, citizenship and to minimize educational deficiencies through planned general instruction and vocational instruction.
>
> 3. To assure a vigorous, healthful and helpful life for enrollees while they are in the Civilian Conservation Corps and to provide a physical, mental, and moral background of life in the corps which will aid the enrollee when he leaves.

Someone to my left last night mentioned something along these lines. That is excellent training for youth. Then, in addition to what I have already stated, in their night schools they are taught anything that might be valuable and worthwhile in life. There is education along many lines, and those educational activities are interspersed with amusements of one kind or another.

So effective and efficient has been the training in the CCC camps that a great demand has arisen throughout industry in the United States to engage those who have graduated from the camps. That demand has grown to the extent that, in 1938, 50,000 of the 270,000 graduated from CCC camps into industry. They were sought after, because they had received a good training.

That is what many young people want. They require discipline and order, and with that they can be taught something worth while. From the beginning which had been made in England, the authorities in the United States broadened out. I visited a number of schools connected with factories and schools set up under legislation passed in Washington. The reason for development along these lines is given in the following words, contained in a pamphlet issued by the United States Department of Labour:

> Our modern high-powered machinery demands highly skilled craftsman as well as semi-skilled or unskilled machine tenders. Our modern houses need skilled plumbers, steamfitters, carpenters, and other building tradesmen; the manufacture of our automobiles calls for high-grade precision work. There must be skilled

craftsmen in many trades—craftsmen who have learned what they can about the trade in school and who have learned the practical end of the trade by working for years in the shop as an apprentice, side by side with a journeyman or a master craftsman. They must possess more skill than did the workers of earlier times; they must understand the new processes and new materials as well as the technical phases of their trades. The trades to-day are keenly aware of the need for craftsmen who have learned the trade by way of a long and thorough apprenticeship.

A few weeks ago I received from the Department of Labour at Washington a letter in reply to a question I had asked as to whether I could go to see some of the later or more modern schools in operation. They directed me to go to the minister's neighbouring city, the great city of Detroit. I visited a number of schools there, one of which was called the "building trades school." A total of 541 young men were being trained there, although not all at the same time. They are sent to the school by their employers to perfect themselves in their trades.

Mr. McLARTY: I presume that is similar to the mechanics class in Galt?

Mr. MacNICOL: I am coming to that; if I have time, I shall cover that quite thoroughly. I visited this "building trades school" and was delighted with the work being done. Each young man attends the school for four hours a week at his employer's expense. They are thus able to learn many things which they could not learn on the job. I understand the cost of the school was financed by the state of Michigan to the extent of 25 per cent and by the department of labour at Washington to the extent of 75 per cent. It may have been fifty-fifty between the two governments; I have just forgotten. The city of Detroit pays the salary of the chief instructor. The young men were greatly pleased with the training they were receiving in this school. They found they enjoyed their work much more because of the extra technical learning they obtained. They were able to earn better wages at their jobs because of their increased training in theory.

There are a number of fine technical schools in Detroit. We have some good ones here in Canada, and I shall refer to them in a moment. One or two methods of instruction which were being carried on in the schools in Detroit I have not seen in operation in Canada. I think the minister should consider the speeding up of the training of young men who, we hope, will be demanded by industry before very long to help produce those things which will be necessary to win the war. Our whole duty now is the winning of the war. We should put ourselves in a better position to provide the equipment and machines for which England and France are calling. I know Canadians can produce these if they have an opportunity to do so. Unfortunately a number of our Canadians will have to be trained.

How are they doing this on the other side of our boundary? A number of companies in Detroit train two young men to work on the same machine. While one young man is actually at work in the plant, the other is attending a technical school, such as the Wilbur Wright school. These young men are paid only for the time they work in the shop. They are actually on half-time, but otherwise they probably would be unemployed. They work two weeks in the plant and then spend two weeks in the school. I was greatly interested in what the young men were learning under this system. For instance, a man would be working in a plant on the manufacture of gears. It might be aeroplane gears, automobile gears, gun gears or any other kind of gear. In the plant he would be working on the actual machine, but when he went to school he would be making drawings and figuring designs. In the school he was obtaining technical background; in the plant he was increasing his practical knowledge.

I have spent twenty-five years in industry, and I believe that type of training would be a splendid thing to start here in Canada. This work could be carried on under the provisions of this resolution. These men are learning auto-mechanics, which is closely related to aeroplane mechanics. This type of training should be speeded up in this country so that we may be able to send sufficient aeroplanes to blot out the sun over Germany. In any event, we should be sending enough to defeat her. Canadians have proved themselves to be the best fliers in the world. We have wonderful shops and plenty of young men capable of being trained.

I visited another school where young men were being taught everything about the repairing of automobile engines. They were learning everything about the electrical system, carburetors and so on. This work is closely allied to aeroplane engine work. Any one may drive his car into this school and have it repaired free of charge, if he is willing to take a chance on the repair work. The instructor told me that no car has ever come back.

Some hon. MEMBERS: Hear, hear.

Mr. MacNICOL: They never came back because they were so well repaired. This instructor inspects every car to see that it is properly repaired. This is the best kind of practical training. The point I am trying to

make is that on the other side of the line they are really trying to do something to train their young men to fill these necessary positions. When I am on my way south I often visit Williamsport, a beautiful city on the banks of the Susquehanna. In 1931 a Doctor Parkes decided to devote his life to the training of young men in that city. At first he had only two small basement rooms and one or two machines in which to train young men in mechanics. But he has done a marvellous work. They tell me that during the last nine years some 4,100 young men have been trained in his school, which has grown considerably. I do not know just how it is financed, but the city of Williamsport certainly has benefited from this work.

The minister comes from a great city, one of the greatest industrial cities in Canada. Windsor is perhaps the greatest auto and truck manufacturing city in the dominion. I believe the minister is acquainted with the presidents of many of these companies. I know most of them myself. I doubt if there are better plants anywhere. For years these plants have been engaged in the manufacture of cars and trucks which are sent all over the world. I feel sure that if some time when he was home, the minister called these men together in his office and said, "Gentlemen, I am not speaking for the government"—he could speak for the government if he were asked to—"but I want you to tell me what you can do about building aeroplanes," he would get results. I have no doubt that aeroplanes could be produced in that city.

Of course money would be required, but it would be the salvation of this country if whatever amount is needed were voted promptly to erect factories in this country for the production of aircraft. If we lose the war, nothing will matter; we shall be ruled by another nation, and the boundless resources of Canada will be exploited by others. I would not be concerned about how much the costs may be in the initial stages, because we necessarily expect to spend money freely at the beginning to induce men to erect plants adjacent to their present factories. We should build a thousand aeroplanes by this time next year. The cost is a secondary consideration; let the government tell the manufacturers, "Go ahead; we will send in our costing clerks to see what it costs to do this work; we will treat you fairly; we will give you consideration and conform to a reasonable profit; but above all we want this empire and France saved." These are the two nations which stand for the things which God would have the world ruled by, and these are the nations which we must help and help quickly.

[Mr. MacNicol.]

I am convinced that in the minister's own home city and in my home city they could build aeroplane factories and produce the planes required by this country. I know that there are other cities equally capable of such production, but I mention the one from which the minister comes because I know there are large factories there. The young men being trained in one way or another would be ready to take their places in Canada's effort some six months hence.

Another suggestion relates to our technical schools. In Windsor, where the minister comes from; in London, Hamilton and so on, there are fine technical schools, as there are in Toronto, Montreal and other great cities in Canada. I offer the suggestion to the minister that part of the money to be voted under this bill be used to associate the technical schools with our war effort, because the prosecution of the war must come ahead of everything else. Let us concentrate our efforts upon using the technical schools for this object, commencing this summer. The teachers are fine competent people. Very likely they would volunteer their services; I do not know that I would ask them to do so, but for some reasonable consideration I am sure that teachers throughout the country would be willing to devote time this summer to the technical training of our young men. Nor would I ask the young men to work for nothing. We should offer them some consideration if they will go to those schools and learn, and many of them will spend two or three months this summer in training, and perhaps graduate into the plants which, I hope, by that time will be crying out for partly trained employees. I believe that something could be done in that regard.

There is much more about which one could speak, so many things which one could suggest. I have in mind our great coal problem, but I am not going to elaborate upon that. I have already pleaded for a national coal policy for this country, which would, I am sure, give employment to thousands of men.

Somebody spoke to-day about iron. I was formerly associated for many years with the iron and steel business. I know there is plenty of iron in Canada. I am told that deposits lately discovered in northern Ontario are equal to anything produced in the Mesaba range, Iron river and other centres in Minnesota and Wisconsin. Time will not permit me to enlarge on these matters, but I may do so later.

If I may address myself to the minister, I would say that he has experience. He has been associated one way and another with all the big plants around Windsor of which I have been speaking. He has probably had

a good deal to do with their legal affairs. He is in contact with them; he knows what they can do. I suggest that in connection with this legislation he give serious consideration to the erection as quickly as possible of aeroplane plants and the building of aeroplanes in this country, first, because it will help to win the war; second, because it will provide wonderful training for numbers of our young men.

Finally, I would urge that we do something about the production of tanks. The other day I was talking to a big steel man—I know most of them—and I said, "You can build tanks?" He said, "You know I can build tanks. Give me the orders and I will build them." Except perhaps some of the best equipment now being produced in Europe, there is nothing pertaining to the production of tanks which cannot be done in Canada. Let us get started. They had to start over there. After all, it will be some time before enemy tanks could attack us in this dominion, and perhaps by that time we shall have perfected the manufacture of these weapons. The necessary steel could be rolled here. Years ago we used to manufacture numbers of tractors. The underequipment can be made in the minister's own city as well as at Oshawa, Toronto, and other places where trucks and motorcar equipment is being made. The same thing applies to guns and to shells.

I have been told that no better shell lathes are manufactured anywhere than are being made not far from where I live. Two or three years ago I was in England on a trip with the producer of some of these shell-making machines. He is a marvellous man. Somebody said something yesterday about conscripting industry. Well, you cannot conscript all brains. This man who turned out these great lathes would lie awake at nights for weeks and weeks figuring out the relationship of one part to another part of the machine. In the morning he would put down his conclusions on paper. Finally he produced a wonderful shell-making lathe, which, I am told, turns shells out as fast as any lathe in the world. He has already supplied the British government with a large number of these lathes for use in making shells in Great Britain; some have gone to South Africa, some to Australia. But he paid a heavy price for all that hard thinking night after night. His health broke down. After a long siege of ill health he recovered, thank God. He would be too valuable a man for this country to lose, particularly at this juncture when men able to turn out equipment of this kind are so urgently needed.

With regard to returns to the manufacturer, the government can regulate what profits any company shall make. I do not think that is the big question just now. The main consideration at this time is to turn out the stuff which will help us to win the war, because if we lose the war we lose everything—your home, my home, everybody's home and everything which has been handed down to us through the work of generation after generation. We must win the war. The minister has under this measure a golden opportunity to rehabilitate the youth of this country, who, I hope and believe, can be utilized before long in the directions I have suggested—in tank plants, aeroplane plants, gun plants, plants manufacturing the classes of material for which our heroes over there are crying out to-day. What did they plead for most strongly when they returned to England? "Give us shells, give us planes, and we will trim them to a frazzle." But they cannot win with their bare hands; they cannot go up to the front line without weapons against steel and iron. They must have the equipment, and Canada, thank God, can make it.

If I have said a thing which will help, I shall feel that I have done my duty. I have no criticism to offer. This is not a time for criticism; this is the time to act, if we are going to win, and that should be our objective.

Mr. RALPH MAYBANK (Winnipeg South Centre): I do not intend to follow my hon. friend (Mr. MacNicol) along the various lines of his address, which I think every one will agree was a most informative one. I say that for two or three reasons, the first being that only a few days ago I suggested that speeches should be brief. I am going to try to follow my own advice. I am rather in the position of a man out on a limb of a tree, who has to be careful, in sawing off a part of the limb, not to saw himself off. In the hon. gentleman's speech there was one remark to which I should like to refer. He told of the work that students were doing in garages; they were put to work on any car. The idea is not an entirely new one; indeed it has been tried out in Ottawa. I am sure there is in this city a garage where this is being done. I left my car there about ten days ago and I began to drive it again last night. The students had been working on it. The same plan has been followed in certain barber shops where students are allowed to work on customers. A small fee is charged; there is an advertisement offering a cent or two cents for every time a customer is cut, and it is a common thing for people to come out of these places with the shop owing them money. Some of these ideas are double-edged in their application.

With regard to the resolution before us, I do not think anyone can hide from himself the astounding unemployment figures that confront us, and the almost disheartening story they tell. I do not propose to go over the figures in detail because that has been done, but the problem may be stated briefly. There were 540,000 persons in September and 768,500 in March not gainfully employed and needing assistance in one way or another. Of course, March is perhaps the worst time of the year. In my city the nadir with regard to employment is reached in February, but the lowest spot throughout Canada is usually in the month of March. These figures are roughly divisible into urban and rural relief, and, strictly speaking, the unemployment problem is urban. Then we have heads of families with those dependent upon them, and there are also the individual cases, single men and women, not a very large number. The unfortunate thing is that in every one of these classes the increase in unemployment seems to be about the same over a period of time. Perhaps the unemployment problem as such is to be noted by the number of heads of families and, if I may put it in that way, the urban heads of families unemployed. These figures are not nearly so great as the ones I first mentioned. They run from 107,500 to 138,500 in September and March respectively. These are the main body of the unemployment problem, because upon them are dependent something like half a million or two-thirds of a million people.

Some one has said that this is all the more serious in view of the fact that over this period of time about 100,000 persons have been enlisting, going out of gainful employment or, at any rate, leaving the list of the unemployed. There is something to be said against that. If we examine the trade figures for the same period, we have had an upsetting experience in connection with trade and industry as a whole. There was a tendency for employment to increase owing to the war, but there has been a counter tendency for employment to decrease owing to the dislocation of trade and the paralyzing of some industries. Every one is agreed, however, that the situation is most serious.

It is incongruous, it seems to me, that over this same period the employment figures have steadily gone up. The minister will declare that to be so. I do not know whether we are at the absolute peak of persons employed, but the employment figure is and has been very high over this whole period. It seems to make the problem all the more baffling.

My only reason for rising now was to make this suggestion. I have in my pocket no cure for the situation, but I do regret that it is to be treated according to precedent. I should like to see constantly some striving for a change in the handling of the problem. It does not seem to me that unemployment relief can be satisfactorily dealt with year after year by the same method of simply supplying fodder. We must strive to find some new method of handling the problem, some new means of combating the evil that we have in this country.

One idea that has occurred to me for some time—and I have been close to the unemployment problem—might be expressed in this way. I think it would be well if this government and, indeed, all governments in the dominion were to adopt the policy of nothing for nothing. I do not believe in this method we have been following of handing out a dole. I do not believe in giving something for nothing. In an emergency it may be necessary, but as a regular policy neither this nor any municipal or provincial government should ever simply hand out something day after day, month after month, year after year, to keep people alive. It is really a ruinous procedure. I do not believe that the government can promptly put every one to work. I am not suggesting that; it is utterly impossible. I believe, however, that if we were to adopt a policy along the line I have suggested, we would be making an advance, and in following the system of requiring something in return for that which is given, we would be putting ourselves in a position where we would learn what might be done. We would get some benefit from such a policy and might direct our efforts along different channels. We should give an opportunity to work for what is received, and should require work in return. Of course I know the government cannot put everyone to work at ordinary rates of wages for forty-four hours a week or anything like that.

May I illustrate the sort of thing I have in mind? A certain municipality wanted to build a sewer which would cost $100,000. There were four hundred men on relief, the average relief being $40 a month, in kind of course. The relief bill, therefore, was $16,000 a month. I am adding these figures as I go; they may not be completely accurate; I am telling an actual story although not sticking strictly to the figures, because round figures are easier to handle. As I say, the monthly relief bill for these four hundred men is $16,000. They go to work on the sewer. The total relief saving as a result of that is $60,000, and there is thus $40,000 extra spent. These men who were getting $40 a month on relief are allowed to earn $45 a month, or $5 a month over and above what they were

getting on relief. They are paid partly in kind, partly in cash. When the sewer is completed, the result is that the men have worked for what they got and been paid for their work; we have spent more than $100,000, but we have spent only $40,000 more than the amount we would have had to pay while getting nothing at all in return. I give that illustration as showing in a sketchy and incomplete way the sort of idea I have in mind when I say that the government should adopt a policy of giving nothing for nothing but always requiring something for something. I believe we would be much further ahead if a policy somewhat of that sort were adopted. We could not always carry it out, but if that were our aim we should advance in that direction, because everyone knows that in all matters of life to have an aim is itself a great help towards success.

I do not agree entirely with the sort of proposal I have been making; for example, I do not believe in payment in kind; that is peonage. When men are required to labour at that sort of work, the incentive should be something more than five dollars added to forty dollars; there must be some incentive. But when a plan of that sort is followed, you have at the conclusion, first of all, something for what you have spent rather than being in the position of having wastefully poured money down the drain. In the second place your people have had the benefit of the dignity of labour.

There are many advantages in following some such plan. The first is that which I have already mentioned; you have as a result of the expenditure, something useful. The second advantage is this: I do not believe that a large proportion of persons on relief are shiftless, and expert in the business of getting something for nothing. But there is a considerable number of such persons on relief, and anyone looking at the proposition for a moment will agree that whenever anybody undertakes to give something for nothing, every unworthy person in the community will be first on the job to get it. You also find that this type of person will be the last out of the way. So on relief rolls there is bound to be a considerable number of unworthy people. Those persons are not entitled to any consideration. They ought to be required to work. The decent people of this country have a perfect right to be tough with them; as the saying is, they should work for what they get or they should get off.

The great majority of people upon relief are fine, decent people, just as much so as anyone in this chamber. But they are being forced day after day to live in idleness, having their fodder handed out to them. Nothing can be more degrading. I do not propose to speak any further about damage to morale resulting from relief; there has been much oratory on that and I am sure we all agree with it. Some such plan as I have been suggesting will save men and women from despair, and that is the most important thing that this or any government can do.

The number of minutes that I had intended to speak has probably been used up. I close with repeating that we should proceed on the basis of not giving away something for nothing but should try to work our relief system on the basis that people shall work under decent arrangements for what they get.

Mr. ANGUS MacINNIS (Vancouver East): My first words in this debate fall very closely in line with part of the words just spoken by the hon. member who preceded me (Mr. Maybank). I want to stress two points. I may say many things, but I should like the Minister of Labour (Mr. McLarty) and the committee to take note of two points in particular in connection with this question of unemployment relief, and the other half of the question, agricultural assistance. Having now had ten years of experience in dealing with unemployment without achieving any definite or useful results, I urge that it is time to try to plan for putting an end to relief as such. I am satisfied that we can never deal with this matter satisfactorily until we work out a plan. The next point is that the plan must be based on social justice. Unless we approach the question from the viewpoint of social justice, justice to those who are submerged by the economic competition which this system demands, we cannot solve the problem in a satisfactory manner.

I am not going over the figures of unemployment; after all, they are dead and cold things. Figures in the blue book may tell you the number of unemployed, the number on relief, but they do not tell the misery and despair in the homes of the unemployed, and consequently are not of any great value.

Since 1930 Canada has spent, I believe, more than a billion dollars on various forms of relief. In April, 1933, at the peak of unemployment, in the depths of the depression, it was said that some 13½ per cent of the population of Canada was dependent on government assistance in one way or another. In the years that followed, 1934, 1935, 1936 and 1937, there was a gradual improvement, but at the end of 1937 we still had 7½ per cent of the total population dependent upon relief for their subsistence. This winter the figures for those on urban and rural relief amounted to some 700,000. This is an enormous number

of people to have to live in the misery, want and degradation in which the unemployed of this country must live. I think I am fortunate in coming from perhaps the most socially minded province of Canada; taken as a whole, I think perhaps the unemployed in British Columbia are treated as well as in any other province, if not better; yet from actual experience with conditions that prevail in that province, I know that the lot of the unemployed is appalling.

Since the day this parliament opened, the minds of all have been taken up with the life and death struggle going on across the Atlantic. That is only natural, for we all feel that we will be affected by the outcome of that struggle. This afternoon the hon. member for Davenport (Mr. MacNicol) said that if we lose, other people will take over this dominion with its great natural resources. I realize that that may be the case, but I must say that for the great majority of the people of Canada the natural resources are now owned by other people, who put a fence round them so that only on their terms may the people who produce the wealth of the country obtain access to those resources. The hon. member said he was anxious to win the war in order to prevent that happening. The winning of the war may prevent it, but I am anxious that we should win the war in order that social justice may prevail in Canada and throughout the world. It is because social justice did not prevail that we are in our present difficulties. There is, then, a real danger that because of this preoccupation with the war, unemployment and the conditions which cause it, as well as the various conditions arising from it, may not receive at this session the consideration that the whole question merits.

From statements made by the Minister of Labour when moving the resolution, and from changes which he said would appear in the bill this year as compared with other years, it would seem that the government are continuing their old policy of doing nothing and hoping that something will turn up. In former years they placed their hope in reviving world trade. That hope now having gone, they are looking to the war to solve the problem of unemployment. Speaking to the resolution last Friday night, the minister said that owing to the industrial activity expected as a result of the war it would not be necessary to make provision in the bill for public works. In the same connection he said that if public works became a vital necessity they could be initiated by means of an estimate which would be presented to parliament. I should like to remind the minister and the committee that if a bill is brought down and passed without making provision for such assistance as was provided by section 3 of the 1939 bill, and by previous bills, it is utter nonsense to say that we can bring down an estimate in this house to provide for such a contingency. Within a few weeks at the most, parliament will have prorogued; this session of parliament will be no more, and it then will be too late to bring down an estimate to meet any emergency that may arise. The time to provide for the needs of the unemployed is now, while we have this legislation before us and while parliament is in session.

This is merely an opinion, but it seems to me that during its years in office this government has shown an appalling lack of understanding of Canada's social problems. But it is peculiarly and particularly blind in its approach to the social problem of unemployment. To a large extent that is equally true of all other governments in Canada; but the other governments, provincial and municipal, have some excuse for their attitude. They have not the means of effectively providing for or dealing with unemployment. The whole question of the unemployed has always been considered as though the unemployed were the only people concerned. The social implications to Canada of unemployment have never been really considered. Unemployment relief has always been based on the least amount that will keep the unemployed from starving or from causing a disturbance. If hon. members think I am going too far in making a statement of that kind, I will support it from the findings of the royal commission on dominion-provincial relations. At page 21 of book II I find this:

> One serious defect has been the complete lack of uniform relief standards. Municipalities generally have set their own standards in the amount of food, shelter, clothing, and medical care that should be allowed, and unless these appeared to be too high, the province has rarely intervened. Many smaller municipalities refused to pay relief at all even when there was real need. Such standards as have gradually developed have emphasized immediate economy rather than adequacy, with complete disregard of long-range costs, such as the probable increase of deficiency diseases (e.g. tuberculosis), or the breakdown of the morale of the able-bodied unemployed. Standards have tended to be those of poor relief, rather than for the maintenance of the efficiency of employables.

Then again, on page 172, book I, we find this:

> It is clear from the above review that there was no coordinated or carefully planned relief policy in Canada during the depression. It was a policy of expediency which failed either

to promote maximum welfare under the circumstances or to safeguard the financial position of the various governments. The dominion, from whom alone leadership could have come, was mainly concerned with steering a day-to-day course between insisting on the constitutional responsibility of the provinces and the necessity of preventing wide-spread starvation.

That is the unanimous opinion of the four men who wrote that report, and it is nothing new to this government because at least the group with which I am associated have been saying just that, and saying it for years.

There is nothing surer than that we can never deal effectively with unemployment until we have worked out a plan. This planless way which has been followed, this dealing with the question on the bases of expediency will never end unemployment. But before we can make any progress either in peace time or war time, we must get away from the attitude I mentioned a moment ago, namely that of looking upon the unemployed as a social nuisance. We must realize that the unemployed are unemployed largely through no fault of their own. We must get it clearly into our minds that under the present economic system unemployment automatically develops out of every mechanical improvement. As the means of production become more complex and more under the control of a few, the tendency to monopoly increases. A larger share of the total wealth goes to fewer people and the many are forced to lower and lower standards of living to semi-starvation.

We have to plan if we are going to get away from that sort of thing. I would ask members of the committee to put themselves in the place of the unemployed for a little while. Let them try to see things through the eyes of the unemployed. If we would do that, I think this is the way things would appear to us. We would see ourselves and our families suffering all the miseries of the damned; when we asked the government to spend money to provide employment, we would be told that the country could not stand such heavy expenditure. In a word, we would be told the government could not find the money.

But in a time of war we would see that the government could find unlimited amounts of money. What would we say in such circumstances? I know what the unemployed are saying. I have talked with many of them, and I know what they are saying. They are saying, "Why should we be concerned about the war? The government can find money for destruction, but none for construction. We have been ready, nay anxious, to go to work to produce wealth, but we were not allowed to do so. We were left rotting in idleness and despair."

That has been the portion of the unemployed for ten long years, in this dominion with its great natural resources and the great wealth to which reference is so often made. We must consider unemployment as a canker eating into the very vitals of society. If we continue to neglect it as we have done in the past, we shall pay a terrible price, and that in the not distant future.

Even if there is a war, I say there is no better time than the present to begin to prepare for the future and to begin working out a plan to deal with our social problems. Whether we win the war or whether we lose it, there is one thing of which we may be certain: world economy will be shattered for many years to come, and international trade, the sheet anchor of this government's hope for solving all our social and economical ills, can be given up for a long, long time.

There are a number of things which the government could do, and which it could begin doing at once. As I have said, the first is to begin to treat the unemployed as if they were human beings with rights to be respected. This has never been done before. Whenever the urge for economy overtakes any of our governments—municipal, provincial or federal—the first thing to come under review is the relief pittance received by the unemployed. This attitude should be changed without delay.

The unemployed must have more than just adequate food, clothing and shelter. "Man cannot live by bread alone." He can live only as he takes part in the social, economic and cultural activities of the community in which he lives. Sometimes after the house adjourns at night, I take the opportunity of doing a little reading. I wish to quote a short paragraph from an essay by W. H. Auden who, I am told, is one of the young poets in Great Britain who are gaining some prominence. Referring to the problem of social readjustment and how to build a better society, and having in mind the unemployed, he makes this statement:

> People cannot grow unless they are happy and, even when their material needs have been satisfied, they still need many other things. They want to be liked and to like other people; to feel valuable, both in their own eyes and in the eyes of others; to feel free and to feel responsible; above all, not to feel lonely and isolated.

As I said, I have met the unemployed; I have talked with them. I have tried to help them solve their problems. I have gone

their bail when they have been put into gaol as vagrants. I have gone to the gaols to see them. I have gone to the police stations to try to defend them. I know what they think, and I know that one of the worst features is the feeling that they are outside the rest of the community.

We should take advantage of war work to improve the morale of many of our people who for years have been unemployed. Quite a number of our unemployed are going into employment for the first time for many years. Certain practices are being carried on in our industries which I think should be frowned on by the government. These practices may be necessary later on, but at the present time I think they should be discontinued. Mr. Howard B. Chase, a director of the war purchasing board, is reported in a Vancouver paper as saying:

> There is a tendency among our employing classes to lengthen hours of production rather than to take on more men. These people are falling down on their job. It is the duty of every employer, particularly those in war production, to take on as many men as possible and train them.

That is a perfectly logical point of view, and I think the government should see that it is enforced. Should the tempo of industry in the dominion increase so that there is a huge demand for men which cannot be filled, then there might be some argument for overtime. But there is no social argument for overtime as long as other men are unemployed. It is being done in order that the people who have contracts, the industrialists, may increase their profits.

There is another matter which I would draw to the attention of the minister. The government should refuse contracts or orders to concerns which do not recognize or consult with the accredited representatives of labour organizations. Since the outbreak of the war, every committee set up by the British government has contained representatives from the various trade union organizations. This has been the case whether such committees had to do with industrial work or not. But our industrial barons even refuse to negotiate or have anything to do with their organized employees. I am quite aware that a fair wage clause is inserted in all contracts given by the government, but these fair wage clauses do not mean very much unless there is an employees' organization on the job to see that they are enforced. I have been a worker in industry, and I know what one can get without an organization and what one can get with an organization.

I should like to direct attention to an advertisement which appeared in the Montreal *Gazette* of May 29, inserted by Canadian Celanese Limited. I do not know whether the dominion government, the Department of National Defence or any other department has any contracts with this company.

Mr. McLARTY: I inquired into that and I may say that they have not.

Mr. MacINNIS: I hope this company do not get any. The advertisement showed that the workers in this plant had gone on strike and that a meeting had been arranged between Mr. Rochette, the provincial minister of labour; Mr. Tremlay, the deputy minister of labour; Mr. Hamel, minister without portfolio; Mr. Miron, the chief conciliator for the department; Mr. Rajotte, the mayor of Drummondville and Messrs. Cameron, Thomson and Palmer, who represented the company. There were morning and afternoon sessions of this meeting at which arrangements for reopening the plant were discussed. The result of the discussion was communicated to Mr. Albert Lemay, an employee who was present at the afternoon session. I am not going to take the time to read all the conditions laid down by the company under which employees would be permitted to come back to work, but the fourth condition was this:

> The company refused to recognize the union as the representative of its employees.

I am told that the union is an affiliate of the Catholic federation of labour. The last paragraph in the advertisement reads:

> Following this meeting, company representatives met a temporary committee of employees which did not, however, contain representatives from all departments of the plant. The temporary committee discussed none of the foregoing arrangements for reopening the plant.

The company just put the conditions before them and said: "This is what you get; accept it or you get nothing." As long as conditions like these exist in Canada, there is good reason why many people should not be greatly concerned with winning the war in order that companies like these may still continue to control the natural resources and industries of this country. Before the winning of the war will have any meaning to these people, it must be translated into terms of social justice. Social justice means, in the first instance, that the workers in industry shall have some say in deciding the conditions under which they will work and the price they shall receive for their labour.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

The house in committee of supply, Mr. Fournier (Hull) in the chair.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

Health branch.

237. Health branch administration, $43,000.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Certain questions were raised the other evening, particularly by the hon. member for Vancouver South (Mr. Green), with a view to obtaining data on health conditions affecting recruits in the Canadian active service force and reasons for the rejections. I stated then that the data required were not available in this department, and that I would consult with my colleague the Minister of National Defence (Mr. Rogers). I have done so, and I will give all possible available data to the committee, either when the minister's estimates come up, or before then if possible.

Mr. LOCKHART: Last evening when the committee rose, I was directing the minister's attention to matters of general health affecting the troops, not only those in Canada but others whom it may be found necessary to return from overseas. I wish to ask the minister particularly about a development which occurred at the time of the outbreak of war. We do not want to rehash past events unnecessarily, but I believe that the present Minister of Pensions and National Health (Mr. Mackenzie) was at that time Minister of National Defence. The first enlistments which took place in my part of the country arose from the mobilization of the Lincoln and Welland regiment, which was used for canal guard duty in that area. I am told by a number of these men, as well as by dentists and others, that the applicants were physically fit in every respect except as to the condition of their teeth. I know men who at personal sacrifice had their teeth repaired upon the assurance that they would be accepted for active service if certain corrections were made. The condition frequently was the result of lack of work, unemployment or part time employment. A great many of these men are anxious to enlist, but contend that this is the one impediment to their enlistment. As the minister presumably knew the situation at the time of the outbreak of the war, and as he is now Minister of Pensions and National Health, perhaps he could suggest some relief for men in this position. I know several of them. One man had his teeth removed, but he was financially unable to have them replaced, and is still going along without teeth. Can men who are handicapped in this way be assured of some assistance?

Mr. MACKENZIE (Vancouver Centre): I believe that this development took place after the early days, after we called the forces out under the provisions of sections 63 and 64. Anyone who would have been turned down on account of defective teeth could be accepted if the required adjustments could be made by filling teeth or furnishing dentifrices. That is the information I have received.

Mr. LOCKHART: That is, the correction would be made at the cost of the man who was seeking to enlist? Is that it?

Mr. MACKENZIE (Vancouver Centre): Oh, no; by the department, and after enlistment.

Mr. LOCKHART: Is the minister sure that all these adjustments were made?

Mr. MACKENZIE (Vancouver Centre): I am reasonably sure of it, but I am subject to correction.

Mr. LOCKHART: I shall have to bring down the information I have.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to discuss any question with my hon. friend.

Mr. MacNICOL: May I ask the minister, along the line just mentioned by the hon. member for Lincoln (Mr. Lockhart), if the department has on its files anything with reference to the researches which have been made by Doctor Harold K. Box, D.D.S., who is research professor of peridontology at Toronto university, and about whose great work in dentistry the newspapers have been publishing so much lately.

Mr. MACKENZIE (Vancouver Centre): I am informed that the department does not have that on its files, but, upon the suggestion of my hon. friend, we will certainly look it up right away.

Mr. BLACK (Cumberland): As to the minister's statement concerning the rejection of recruits on account of bad teeth, I might say that complaints came to me in Nova Scotia that applicants who had been found medically fit and acceptable in every other respect were rejected by reason of faulty teeth, and the request was made that their teeth be put in proper condition so that they

would be accepted. But some of these applicants did not have the necessary means; they were on relief or in such poor circumstances that they were unable to have this work done, and therefore could not get into active service. This information came to me during the past weekend.

Mr. MACKENZIE (Vancouver Centre): I have no doubt that is a correct statement of conditions in the early stages of the enlistments, but I am informed that conditions in this respect have been reasonably well adjusted. As a matter of fact, all this discussion refers to another department, although I would be glad to give any information at my disposal regarding the questions which have been asked. Difficulties arose in the earlier stages of the enlistments, but I believe that at the present time, if the recruit is reasonably healthy, corrections will be effected after he has enlisted.

Mr. BLACK (Cumberland): At the expense of the department?

Mr. MACKENZIE (Vancouver Centre): Yes, after he has enlisted.

Mr. GILLIS: I understand that we are now discussing specifically the health branch. Last evening, before adjournment, the minister made a statement to the effect that the air raid precaution committees being set up in at least four provinces across Canada came under this particular department. The average citizen's conception of an air raid precaution committee is that it is a voluntary organization of citizens who carry out that work without any remuneration or thought of remuneration. I should like to know what portion of the appropriation for the health branch is to be expended on the work of these committees, and if to date there has been any expenditure by the branch for that kind of work.

Mr. MACKENZIE (Vancouver Centre): The moneys expended upon this work of air raid precautions do not come from the regular funds of the Department of Pensions and National Health but come from the special war appropriations. In the first war appropriation of some months ago there was voted for this purpose $150,000. I am informed that, of this amount, the sum of $55,000 was expended in the four provinces which were undertaking that work; and the $5,000 to each province which I mentioned last night was part of the $55,000, which was the entire amount spent in the four provinces. The cost of supplies and literature came out of that total vote.

Mr. GILLIS: What I was interested in finding out was, were any salaries paid to any of the officials of that organization?

[Mr. P. C. Black.]

Mr. MACKENZIE (Vancouver Centre): By the department, to only one officer, who is at the head of it, Colonel Minns, who I believe has performed other duties in addition to this one. He was in England on other duties, I believe, since this work was commenced. In the provinces any salaries which would be paid would be defrayed by the provincial governments, who are really carrying on the work in cooperation with the federal authority.

Mr. GREEN: How much is to be set aside during the present fiscal year for air raid precautions?

Mr. MACKENZIE (Vancouver Centre): I believe the amount is $100,000.

Mr. NICHOLSON: Is there any item in the estimates?

Mr. MACKENZIE (Vancouver Centre): No. The reason is that items for this work are included in the appropriation which passed through the house a few days ago, and the first vote for this work was included in the appropriation which went through some months ago, before the present parliament met.

Mr. GREEN: The minister explained to the committee last night that this plan had been put into effect in only the four provinces of Nova Scotia, New Brunswick, Quebec and British Columbia. Might I suggest to him that if nazi bombers come to Canada they will not stop at the Ottawa river; they will very likely bomb Ottawa before they attack any other place, and then proceed to Toronto and other industrial centres in Ontario. It seems to me that this plan should be put on a nation-wide basis and that the dominion government should accept some direct responsibility for the control and management of the plan. Our great mistake in Canada and possibly in the other democracies has been to wait, in all these things, until it is too late. I suggest that we should bring our air raid precautions up to date on a nation-wide scale without any further delay, and this government is the proper authority to do that work.

Mr. MACKENZIE (Vancouver Centre): I would point out two things. In the first place, the staff officers of the Department of National Defence were those who defined what they considered, rightly or wrongly, the vulnerable areas of Canada, and the proposal was proceeded with on that basis. In the second place, in England the air raid precautions were staged under what might be termed civilian control. In Canada there is of necessity consultation and cooperation with the civilian authority, and that is why this

is not under the Department of National Defence but under the Department of Pensions and National Health. I took steps myself to ascertain from the other authorities whether they would like to have an extension of this in their provinces, and only four provinces were vitally interested in the problem.

Mr. GREEN: Is it not really part of the defence of Canada? Taking the necessary steps to protect the lives of people in the event of air raids comes under the direction of this government, and we should not have to wait until the provinces ask for help along that line. After all, those who might be killed in these provinces would be Canadians, just like those in the four provinces that have the plan. I do not see why the dominion should hang back and wait upon the provinces in such an emergency.

Mr. MACKENZIE (Vancouver Centre): The whole scheme was commended by the federal government. It was the result of recommendations brought forward by an able committee of civil servants. It depends on provincial statutes and certain municipal ordinances for many of the facilities to be carried out. We have followed as best we can the practice adopted in England.

Mr. GREEN: That may not be the right practice.

Mr. MACKENZIE (Vancouver Centre): That may be true, but it was the only real precedent we had to go on. I can assure my hon. friend that we shall be only too willing to extend the projects in any direction considered necessary and afford the best protection we can to the civilian population.

Mr. GREEN: Are the government willing to take over complete direction of air raid precautions if the provinces agree?

Mr. MACKENZIE (Vancouver Centre): The advice the government received was that it would not be possible for such a scheme to function properly, and the government accepted that advice.

Mr. MacGARRY: I do not rise to ask for a cut in the estimates for public health because I am of opinion that these estimates, whether in time of peace or in time of war, are not sufficient adequately to deal with this important matter of public health. Being a new member in this house I am not disposed to interrupt or delay the progress of the committee. I feel, however, that on this important subject I should make a few remarks which I trust that you, Mr. Chairman, will regard as relevant.

Every hon. member will agree with me, I believe, when I say that the preservation of the health and the lives of our citizens is the paramount concern of individuals and the state. Members of the profession of which I happen to be a humble member have long since set aside the erroneous idea that their function was to cure the sick. They have laid that aside because they have come to the realization that there is another phase of the profession that is far more important, namely, the matter of public health. The efforts put forth by public health bodies would be absolutely useless if they had not the cooperation of the public. The question is asked: How are we to get that cooperation most effectively? We shall have to take this lurking lack of knowledge, the indifference and the greed that we find so obvious, and combat it with some proper knowledge and some practical methods of dealing with the science of healthy life. These are the means that we should take in order to get the cooperation of the laity.

The endeavour of public health authorities, as I understand it, is to combat, to prevent and to eliminate if possible all agents that are responsible for bringing into the light and distributing all the sources of disease; and in addition to that, there is another duty of public health officials, namely, to strengthen the individual resistance. Here we see that the question of nutrition is shown to be most effective in this public health programme. Many diseases if taken in time can be dealt with successfully by moderate treatments. We speak of a man, woman or child as being healthy if the bodily organs are free from disease and are functioning properly. The discovery, through laboratory research, that disease is started and distributed by minute parasitic germs is one of the things that have given impetus to a much wider field of public health work. We find that the government has taken a strong hand in this matter, passed many measures of public health and also made provision for their administration.

In the short time at my disposal I shall not attempt to trace the successful campaigns that have been carried on not only to prevent but, in some instances, actually to get under complete control some communicable diseases. I might mention diphtheria, smallpox and malaria. These three diseases were almost fatal some years ago. To-day, by successful scientific efforts, they are practically under control. Tuberculosis might be considered to-day as a curable disease. Cancer might be put in the same category, with possibly a little more limitation.

Tuberculosis we say is a curable disease. That is only partly true. If the symptoms are recognized early and scientific treatment applied, we might say that tuberculosis is scientifically curable. But it is not curable if we speak from the point of view of finance, because so many of the people who are afflicted with that disease are unable to procure the scientific treatment. It is all very well to say complacently that the death rate from tuberculosis is falling; that of course is good news. But that does not reveal the intense suffering which prevails in the homes of many men and women afflicted with this dread disease. Therefore no sacrifice should be considered too great in order to bring about if possible a scientific cure for every man, woman and child in this dominion who is afflicted with the white plague.

As I said, we must remember that this public health programme is a cooperative movement. The units in the partnership are the government, the profession and the public. All these agencies must work together; all must know the means to use in this crusade, and must apply them cooperatively in order that they may be effective. The government must spend more money; the profession must bring into action every scintilla of science that they know, and the public will have to be educated to a realization of the great duty they themselves have to perform in that crusade. It was their own vigilance that caused the suppression of these other diseases, and the same price will have to be paid in order to bring into subjection these other pathological aggressors who are not so well identified by the profession, and for that reason cannot be so effectively dealt with.

The government has been sympathetic and benevolent up to the limit of the resources available, but there is not yet behind this public health movement sufficient support of public opinion to give the government courage to venture on a larger expenditure than in the past. If a united front is formed; if the public assure the government that they are behind this; if the profession put into action every scintilla of knowledge that they possess, I believe that we can carry on a successful war of defence against these pathological enemies that are invading and destroying our human tissue and leaving in their trail disastrous ravages not only on our domestic but on our social, industrial and economic institutions.

Mr. McIVOR: For the last three sessions the hon. member for St. Boniface (Mr. Howden) and I have sponsored a resolution calling for some form of nationalization of medicine, urging that the dominion government, the provincial governments, the medical associations and the social workers should cooperate to provide some means to take care of those who at present are not being taken care of. In the session of 1939 the then Minister of Pensions and National Health gave us a great deal of valuable information as to the cost as well as the need of such provision, but asked us to withdraw that resolution, which we thought it wise to do. This year we cannot bring forward that resolution, for reasons which are quite evident.

I noticed that one distinguished doctor at the dominion medical association meeting stated that he thought such legislation was coming and the doctors should prepare themselves for it. We felt that this was encouraging. We know the need; some of us perhaps feel it very keenly. The people who are on relief have some form of medical attention; those who are rich or even fairly well off get good medical attention, but there is a vast class of citizens who cannot get the health examination and treatment that they require. I would ask the minister to keep this matter in mind; doubtless he knows as well as I do that when there is a war on, fewer people talk about their ills; they think of the ills of others that far outweigh their own disabilities. I know a man who told me last summer that some form of contributory health insurance was absolutely necessary. His wife passed on this year, and he himself who needed examination and some form of treatment passed on just a few months ago. I am sure that the minister, with his big heart and clear mind, will keep this in view, as we certainly shall, when opportunity comes to present that resolution to the house again.

Mr. HAZEN: I should like to ask the minister a further question in connection with air raid precautions. I have what I might describe as a personal interest in the matter. Soon after the war broke out I received an urgent summons to attend a meeting of the legion in Saint John. I attended, and as a result found that I was a constable. A few days later I received a band to put round my arm with the word "police" on it, and some instructions about air raid precautions. Later I was presented with a whistle and a badge on which were the letters "ARP" surmounted by a crown. Last night the minister informed us that certain grants had been made to some of the provinces in this connection. I would ask him, was a grant of $5,000 made to New

Brunswick last year in connection with air raid precautions? If such a grant was made, to whom was it made, and was any accounting received by this government as to how the money was spent? If such an accounting was received, will the minister be so good as to let us have particulars of the account?

Mr. MACKENZIE (Vancouver Centre): The answer to the first question is yes. The sum of $5,000 was paid to the provincial treasury of New Brunswick, in accordance with paragraph 3 of the order in council, which reads:

> That the provincial treasurers of the several provinces aforementioned shall furnish such reports and accounts relating to the expenditure of the said sums of money so advanced as the Minister of Pensions and National Health may from time to time require.

This was passed on January 25, 1940. I am informed that the accounting of this grant has not come to hand as yet, but of course it will be examined and will have to satisfy the financial authorities here in Ottawa.

Mr. HAZEN: Who was the officer in New Brunswick in charge of these air raid precautions?

Mr. MACKENZIE (Vancouver Centre): I am informed that it was a gentleman by the name of Ryan, who was working with the hydro electric company.

Mr. NICHOLSON: How is the $100,000 which is being spent this year broken up? What amounts are granted the various provinces?

Mr. MACKENZIE (Vancouver Centre): As yet that has not been determined. It will be a matter of consultation between the chief officer here and those responsible in the various provinces, with perhaps an extension of the same work to other provinces not yet taking advantage of the scheme, or possibly a further intensification of the work already done in those provinces which are considered to be most vulnerable. There is really no break-down of the $100,000. I could give my hon. friend a rough estimate of how the grant of last year was expended. The equipment purchased last year amounted to $26,304.67. The grants to the four provinces totalled $20,000. There was a grant of $5,000 to the St. John Ambulance Association, which has done wonderful work in connection with this whole scheme. The travelling expenses, probably those of headquarters officers going to cooperate with the various provincial authorities, amounted to $2,581.69. For literature, mostly pamphlets obtained in England, we spent $570.17. For sample equipment, based upon the equipment used in other places, the cost was $102.67. Other expenditures were: printing, $944.21 and freight, $192.60, making a total of $55,696.01. That is how the grant of last year was expended. There will be a similar accounting, of course, for the grants of this year, whether or not the entire $100,000 is expended.

Mr. NICHOLSON: Have plans been made to have this sample equipment manufactured in Canada if necessary?

Mr. MACKENZIE (Vancouver Centre): It was so done.

Mr. ROSS (St. Paul's): For several years now I have tried to get a little information with respect to the responsibility for the pollution of waters in international watersheds. The city of Toronto, from which I come, in common with many other cities in the upper part of the St. Lawrence watershed, is obliged by somebody to see to it that the waters of the great lakes and of that watershed are not polluted. I have always thought that the protection of those waters from pollution was not the sole responsibility of the municipality or the province; I have considered that some responsibility rests on the dominion government, since the benefits which result from the prevention of such pollution are not derived by only one province.

At the present time the city of Toronto is faced with a very large expenditure for a disposal plant. They have decided that they must do something about the matter, but it involves the expenditure of a large sum of money. I realize that the disposal of sewage is a matter which benefits the city of Toronto and the surrounding country, but it also benefits the people further down the lake and river. So it seems to me unfair that the city of Toronto should have to bear alone the tremendous cost of taking care of that sewage disposal. The government of the United States appreciates this fact and has come to the aid of certain cities in that country in connection with disposal works.

My question, which I think deserves a pretty full answer from the minister, is this: Whose responsibility is it if the city of Toronto does not protect its water and allows it to be polluted? What jurisdiction has the dominion? Can the dominion make the city do this work or can they not? I should like to know a little about the matter, if the minister would be so kind.

Mr. MACKENZIE (Vancouver Centre): This question really should be discussed under another item, but I am quite prepared to discuss it as well as I can at the moment. If my hon. friend will look at the vote for public

health engineering, he will see an appropriation for the enforcement of regulations which have been approved by orders in council, the first passed in June, 1923, the next in February, 1930; the next in March, 1937, and the last in September, 1937. These are regulations concerning ice and water intended to be used for drinking and culinary purposes on vessels navigating on the great lakes and inland waters of Canada, on common carriers engaged in interprovincial and international traffic, as well as on common carriers engaged in trade on the coast of Canada, in addition to regulations and requirements for the supervision of shucking, handling and shipping scallop meat, and the taking, handling, packing and shucking of shellfish.

These regulations provide for the administration of the Public Works Health Act and the enforcement of the regulations thereunder for the preservation of health and the mitigation of disease among persons employed on the construction of public works.

Now I approach to some extent the point raised by my hon. friend. The regulations also provide for the supervision of sanitation on common carriers engaged in interprovincial and international traffic as well as in mining settlements and trading post areas in the northwest territories; also in national parks and summer camps situated on dominion lands, and for purposes of cooperation with the provincial departments of health, the United States public health service and other federal government agencies in matters of sanitation, pollution of boundary waters and the like.

Mr. ROSS (St. Paul's): I thank the minister. Does not a broad question come up there, in regard to the pollution of international boundary waters, bearing in mind the great waterways treaty made between Canada and the United States? I have said this two or three times, and I do not want to labour the point, but really I should like to make myself clear. These cities on the United States side have received aid and assistance from the federal government whereas we have been forced to construct extensive works for sewage disposal. I have always felt that this was very unfair, and that it was not properly the responsibility of the municipality to bear the whole cost of such works. Is there not a responsibility on the dominion government under the great waterways treaty to see to it that our boundary waters are not polluted? I understand what the minister referred to, in connection with common carriers, and so on, but this is a far greater question. I have always been told that it was up to the municipality to look after its own sewage disposal, but there are many factors entering into the question. For instance, if the city of Toronto or the city of Hamilton pollutes the water, that water goes right down the river, probably to the shellfish bed, and so on, since water does not purify itself but must be purified. I think this is something to which the government should give careful consideration. Last year I dealt with this matter in the house, when we in Toronto learned that we had to construct this plant. In Toronto we face an expenditure of $15,000,000 for a new sewage disposal plant. I suggested last year that we might obtain that money under a self-liquidating programme, but my suggestion was not sympathetically received. I am saying to-night that some aid ought to be given the city to take care of that situation.

Mr. MACKENZIE (Vancouver Centre): I am not attempting to speak with any finality upon this difficult point, but if a complaint were made by one government to another government, that is, if the federal government received a complaint from the government of the United States, the international waterways commission would have to act. That brings me to a consideration of section 9 of the Department of Pensions and National Health Act, paragraph (f) of which states:

> The duties and powers of the minister under this part shall extend to . . .
>
> (f) The enforcement of any rules or regulations made by the International Joint Commission, promulgated pursuant to the treaty between the United States of America and His Majesty relating to boundary waters and questions arising between the United States of America and Canada, so far as the same relate to public health.

Mr. MacNICOL: May I explain that—

Mr. ROSS (St. Paul's): Just a minute. I understand the powers held by the minister. In other words, if we receive a complaint from the United States respecting the pollution of our water—and they could do that quite justly at any time—we would do what the minister suggests. Right now they might be in a position to complain respecting the sewage going into the lake at Toronto. If the minister receives that complaint, does he go to the province of Ontario or to the municipality of the city of Toronto? I understand he has the right to insist that either the municipality of Toronto or the province of Ontario will take care of that situation.

So far as Toronto is concerned, let me point out that we could obtain our drinking water through a process of filtration. Our bathing beaches would not be much good unless they were properly attended to. However the

people who are farther down the lake would be adversely affected by the pollution of lake water, and it would be to their benefit and to the benefit of any others who might be affected, that some proper action be taken.

I believe there is some responsibility on the government at Ottawa. It has the power to force the city of Toronto to take care of its sewage. If the federal government has that power, it seems to me it should also have the power to give assistance to Toronto or to Hamilton or to any other city requesting it, to make the provisions necessary for the proper disposal of sewage. I cannot remember the names of the cities in the United States which have been helped by the federal government in that country, but there are plenty of them. I believe the same condition ought to obtain here.

Mr. MACKENZIE (Vancouver Centre): I still say that I am correct in my statement that the Minister of Pensions and National Health can intervene only when the question is an international one, and the request comes in under the regulations mentioned in paragraph (f) of section 9, requiring the minister to take action. It must be realized that the Department of Pensions and National Health Act does not give the department jurisdiction in respect of public health matters which are exclusively provincial or municipal. We cannot trespass on the jurisdiction of provincial and municipal governments, except when we are given special authority as a result of international powers, or powers affecting us from outside. That is a principle which has been fundamental in federal government jurisdiction since the time of confederation.

Mr. ROSS (St. Paul's): I am glad to have the answer from the minister. I do not wish to bother him unduly, but I should like to make this point. It would seem that our recourse is this, that all we have to do is to go to the government of the United States, point out to them that we are polluting the waters adjacent to the city of Toronto, and ask them to come to the dominion government and see that we do not do it any more. If we do that, then I understand the minister will have to approach the province of Ontario and the city of Toronto and say to them, "You cannot do that any more." So long as I know the correct procedure I am satisfied, because when the proper occasion presents itself I shall raise the question of responsibility. The minister has nothing to do with providing money to take care of this situation, but I want to make my point, because I think it is not a bad one.

Mr. ROSS (Souris): Mr. Chairman, I did not clearly understand the explanation given with respect to air raid shelters. To be frank about the matter, I was rather surprised to hear the minister mention four provinces. I would predict that if Canada were invaded by the enemy against which it is now waging war, it would not be through any of the four provinces mentioned, but rather through Churchill, the Manitoba port. Few people may realize that Winnipeg is a very large industrial centre and is considered to be the gateway to the west. It would be my prediction that in the event of invasion the base for air operations would probably be set up at Churchill. That is not beyond possibility at all. My question is this: How do those four provinces come under the grant? Are they jointly concerned, or is the grant entirely under the administration of the federal government?

Mr. MACKENZIE (Vancouver Centre): I tried to make myself clear before, but evidently I failed. The four provinces which were given consideration under the vote were the areas recommended by the best staff officers of the Department of National Defence as being vulnerable areas in Canada. There may be a good deal of merit in the suggestion made by the hon. member. For instance, Prince Edward Island may be considered a vulnerable area; yet it is not receiving consideration, and has not asked for it under the grant. The city of Toronto might be considered a vulnerable area; yet nothing has been done in Ontario under the grant. In deciding which provinces should receive the advantage of the grant, the department has had to take the advice from those who are supposed to be best qualified to give it, when it comes to a consideration of areas which should receive the necessary benefits.

Mr. ROSS (Souris): The Department of National Defence makes the sole decision; it does not negotiate with the provinces?

Mr. MACKENZIE (Vancouver Centre): That is correct.

Mr. ROSS (Souris): It is entirely up to the Department of National Defence, on their own?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. ROSS (Souris): That is the point I wanted to have clear.

Mr. ROSS (St. Paul's): Last night the hon. member for Renfrew South (Mr. McCann) referred to the grant to the Health League of Canada. I mention the matter at this

time so that before we come to a more detailed consideration of that organization, and while we are still discussing administration, the minister might very well ask his colleagues to reconsider the grant to the health league, with a view to increasing it.

I am familiar with the wonderful work that organization is doing to-day, and the difficulties it has to face. If we can afford to give $100,000 to the city of Ottawa, as has been done in years past; if we are not going to ask the city of Ottawa to economize a little bit, and if we are doing that at the expense of the Health League of Canada, then all I can say is that I am sorry I was not more vocal in my observations about the $100,000 grant given to Ottawa. I would ask the minister kindly to reconsider the vote when the supplementary estimates are presented.

Mr. MACKENZIE (Vancouver Centre): I believe up until last year the health league received only $5,000, but last year the second $5,000 was added. I agree entirely with everything the hon. member has said in connection with the valuable work carried on by the organization in question, and I should be very glad indeed to try to meet the request, if I can.

Mr. CASTLEDEN: I was pleased to hear many hon. members sitting on the government side of the house speaking in favour of national health. It seems to me that makes it just about unanimous. Let us do something about the matter.

With regard to this matter of tuberculosis, I should like to draw attention to the splendid work being done in this field by Doctor Ferguson, head of the anti-tuberculosis league in Saskatchewan. That league has done splendid preventive tuberculosis work. I understand this work is so well advanced now that they can almost predict the stamping out of the disease within a fairly reasonable time in Saskatchewan.

In the dental field we are facing considerable difficulty. If a man has bad teeth, and that is all that is wrong with him, he finds trouble in having them attended to. But if he happens to have tuberculosis, then he can go to a sanatorium and have his teeth treated. They circulate a story out in our part of the country about a poor man who had been unemployed for some time. He was unfortunate enough to contract appendicitis. When he went to a hospital they told him it was impossible to operate because he had no money. Not feeling in a kindly frame of mind toward society in general, he went down the street and threw a stone through the nearest plate-glass window. He was arrested and sentenced to thirty days' imprisonment. When he was taken to gaol they found he had appendicitis, so he was sent to the hospital and attended to. He got out in thirty days, a free man and with his appendix out.

I should like to ask two or three questions. What proportion of this amount is being spent on educational work throughout the dominion? It seems to me that educational work is the foundation of the whole scheme. Someone made the remark the other day that the proper way to treat these matters of health was to get after the grandmothers. I would point out that the women living to-day will be the grandmothers of to-morrow, so how about getting after their health now? What cooperation is there between the provinces and the dominion? What is the attitude of the medical association with regard to the nationalization or socialization of health? How do the various provinces rate in health standards? Is there a connection between the standards of education and the standards of health?

Mr. MACKENZIE (Vancouver Centre): There is nothing in this particular vote for education work; that is provided for in other votes which will come up later. As far as health standards are concerned, I think there is no doubt that Saskatchewan leads the rest of Canada in the work it has done. The question of health insurance was discussed at considerable length last year. Several hon. members who are again in the house will remember the resolution moved by the hon. member for Fort William (Mr. McIvor). I believe he has a similar resolution on the order paper this year. At that time the former minister went most thoroughly and exhaustively into the question of health insurance, not only as it might apply in the Dominion of Canada but with reference to other countries of the world. Hon. gentlemen will find on page 1573 of *Hansard* of last year, the report of a most valuable discussion of the whole question of health insurance. That debate was excellent in every way, and since that time we have received the report of the Sirois commission. I am sure most hon. members present have read their conclusions in regard to national health insurance. Their conclusions are that national unemployment insurance is and should be a federal responsibility, but they state most definitely that health insurance must be considered a provincial responsibility, with of course all possible cooperation by the federal authorities. The report of the commission states this at page 34:

> This brief survey of the health activities of the municipalities, the provinces and the dominion indicates that despite the chaotic

situation as regards jurisdiction, each level of government is performing functions consistent with its proper role in the government of the nation. Jurisdiction may overlap, but there is in fact little overlapping of functional activities. Indeed, we were impressed by the inadequacy of health services, considering the need, rather than by the existence of duplication.

And again they say this:

Finally, there are pronounced regional differences in Canada in social philosophy which are bound to affect public health legislation. Centralization of jurisdiction might not, therefore, conduce to progressive action in public health, or to national unity in general.

And again:

We think, therefore, that the present jurisdictional situation should not be disturbed, and that the public must rely on the good sense of public health officials and of political authorities concerned to effect cooperation and to work out an efficient and economical division of functions between the dominion and the provinces.

And further:

Whereas it is considered practicable in the case of unemployment insurance to adopt a uniform scheme that will apply to all provinces, it is not considered practicable in the case of health insurance, as the problems to be met are different.

A scheme of health insurance applicable to the large industrial provinces of Ontario and Quebec would not be applicable in provinces which are chiefly agricultural.

In contemplating a system of health insurance, consideration must be given to:

The topography,
The distribution of population,
The various age groups,
Distribution of members of the medical and nursing professions,
The location of hospitals,
Transportation facilities,
Number and class of industries, and a variety of factors that have a direct bearing on the type of health insurance that is practicable.

Doctor Weir, provincial health minister of British Columbia, appeared before a meeting of the dominion health council. That province has a national insurance act on its statute books, as has Alberta, but they are not in operation. He had this to say:

It would be a grave error for the dominion government, by amendment to the British North America Act to relieve the province of the major responsibility in health matters. The true role of the federal government in the health field, it seems to me, is to supply leadership, to assist in the promotion of significant health movements, to correlate—but not to legislate in health matters now falling within provincial jurisdiction.

The Right Hon. R. B. Bennett, had this to say in 1935, as reported on page 1156 of *Hansard:*

A national health policy involves consideration of several factors, among them being, first, the position of the individual himself—not the question of the municipalities or the provinces, but the position of the individual himself and herself.

Later in the same debate, he said:

We cannot, with one stroke of the legislative pen, wipe out of existence all the provisions made by the municipalities and the provinces to deal with this problem—their hospitals, medical service, taxation to maintain them in cities, towns and villages.

You cannot to-night, with all the power in the world, scrap the provincial services and impose upon them a federal service without the loss of millions of dollars.

That is as clear as anything can be. The difference between a national and a provincial scheme is quite simple, and I think the hon. member realizes that. The provinces have gone ahead and exercised their jurisdiction with respect to health matters, hospitalization and so on. Commenting upon Mr. Bennett's remarks, Doctor Weir had this to say:

In a word, I quite agree with the position of the present Prime Minister that the dominion government now has all machinery necessary to enable it to participate effectively with the provinces in the promotion of public health.

Those who have most strongly advocated health insurance in Canada have directed their representations to the provincial authorities. Just a few minutes ago the hon. member asked about the attitude of the Canadian medical association. The committee of economics of that association, on page 32 of its report on health insurance, expresses the following opinion:

The Canadian situation is such that social insurance legislation, of which health insurance is a part, must be initiated by the provinces. The dominion is free to make grants of money to the provinces adopting such legislation. This has been done in the matter of old age pensions.

The dominion could exercise considerable influence, if making such a grant, to secure the inclusion of the same desirable principles in all provincial legislation. The dominion, if contributing, would give supervision through the department of national health. Practically, health insurance in Canada will be provincial in legislation, organization and administration.

Several labour organizations made representations to their respective provincial governments. The British Columbia executive committee of the Trades and Labour Congress said this on November 2, 1937:

The government was strongly urged to give immediate effect to the health insurance act of 1936. The committee also recorded its favour for an act covering all persons irrespective of salary or other limitations.

The recommendation of the Saskatchewan executive committee of the Trades and Labour Congress, under date of November 30, 1937, is as follows:

The enactment of health insurance legislation was requested by the committee, the delegation endorsing the objectives of the state medicine league in this connection.

From the Manitoba executive committee of the Trades and Labour Congress and railway transportation brotherhoods, on January 4, 1938, I quote:

> The committee expressed its view that the time was opportune "to recommend action looking to the establishment of a system of health insurance," and urged the government to "immediately take the necessary steps to formulate and adopt legislation to this end."

The Alberta federation of labour, on January 25, 1938, stated as follows:

> In dealing with subjects of health, the federation's memorandum requested the bringing into operation of the section of the health insurance act providing for medical aid and hospitalization.

The Ontario executive of the Trades and Labour Congress recommended on February 8, 1938:

> Enactment of legislation "to ensure full benefits of curative and preventive medicine to all citizens of the province irrespective of their ability to pay."

On February 8, 1938, the Ontario joint legislative committee of railway transportation brotherhoods, asked:

> . . . favourable consideration to a health insurance measure.

It is evident from the foregoing that in the provinces these organizations realize that any scheme of national health insurance in Canada must be based upon provincial jurisdiction, and the most effective contribution which should and will be made by the federal government is by financial grants to the provinces who must be responsible under our constitution for health insurance in Canada.

All that is exactly what is happening to-day in the United States in the scheme of social security which President Roosevelt has commenced in that republic, the essential jurisdiction of the states being recognized, and federal grants being conditioned upon the actual needs existing in the various states.

Mr. COLDWELL: I was going to ask the minister about another branch of activity of the department. Several years ago, I believe, the child and maternal welfare branch was reestablished. Could the minister give us some idea as to what is being done in the department to reduce infant mortality and the death rate among mothers in childbirth?

Mr. MACKENZIE (Vancouver Centre): Would my hon. friend wait until we come to that special vote, because I can then give him all that information.

Mr. COLDWELL: Very well. I will ask the minister at that time.

Mr. POULIOT: The minister has just quoted some remarks made by Mr. R. B. Bennett. I remember that, of course as a Knight of the venerable Order of the Hospital of Saint John of Jerusalem he thought fit, every time the estimates of the department of health came up, to make a speech. I recall dear old Doctor MacLaren, whose hands were shaking and trembling as he had his book before him, while Mr. Bennett was speaking fluently on the matter of health and of medicine. Mr. Bennett made a great speech on these estimates, either in 1935 or 1934, a speech which struck me as showing very clearly how superficial the man was. He made a lengthy address, speaking for forty minutes or an hour, as was the privilege of the Prime Minister and the leader of the opposition. He did not forget Florence Nightingale. He related the history of medicine throughout the world, but he forgot two names, those of the most eminent figures in the history of medicine in the modern world—Pasteur and Lord Lister. Mr. Bennett knew Florence Nightingale, but he ignored Pasteur and he ignored Lord Lister. I do not see what weight can properly be attached to any quotation from any speech of Mr. R. B. Bennett on matters of health and medicine.

I have just one question to ask of the minister. Would he be good enough to tell me who are the two gentlemen who are in front of him at the present time on the floor of the house?

An hon. MEMBER: Quite right.

Mr. MACKENZIE (Vancouver Centre): Mr. Chairman, I do not believe it is customary to answer such questions. They are eminent and distinguished public servants of this country.

Mr. POULIOT: Eminent as they are, I want to know who are these strangers. I do not know them. I should like to know who they are. I ask with politeness and with all deference, but I wish to know who they are. They are not members of parliament. I should like to know who is coming here on this floor.

The CHAIRMAN: Shall the resolution carry?

Mr. POULIOT: No. I want to know that. I do not wish to be disagreeable to the minister, but I want to know who are these two goodlooking gentlemen.

An hon. MEMBER: Carried.

Mr. POULIOT: No, it is not carried; and if I do not get that information, I am sorry, but I shall have to ask more questions. They must be officials of the Department of Pensions and National Health;

otherwise they would not be here, but I should like to know who they are. I do not know them. I should like to know them, and I ask the minister kindly to tell me that.

Mr. MACKENZIE (Vancouver Centre): The request is, I think, unusual. But the gentlemen are the deputy minister, Doctor Wodehouse, and the secretary of the department, Mr. Dixon.

Mr. POULIOT: Thank you.

Mr. GRAYDON: There is one matter which was discussed by the minister last night. It is reported on page 594 of *Hansard*. I was out of the chamber at the moment. It was in connection with the rationing of the active service forces in Canada. This is a matter in which I personally am very much interested, because during last fall and last winter in the armouries at Brampton, the Lorne Scots, many of whom are now on active service with the first infantry base depot at Aldershot, conducted for a time what is known as a cooking school for the soldiers. They had out there a number of prominent dietitians from Toronto, on loan from the board of education there, and according to newspaper and other reports which were prevalent at the time, and from my own observation, a good deal of progress seems to have been made towards a better type of rationing for the troops. I believe that a good deal of work was done by way of research and otherwise, and I was wondering if the minister could tell me whether the department had taken any cognizance of it, so that the valuable progress made in army dietetics at the time could be applied to the rationing of the active service forces at present.

Mr. MACKENZIE (Vancouver Centre): Yes, there were discussions. As my hon. friend is aware, this matter, again, pertains to the Department of National Defence.

Mr. GRAYDON: I am sorry.

Mr. MACKENZIE (Vancouver Centre): As regards the question of rations. I mentioned just incidentally yesterday that some of the studies and surveys which were carried out in this department by some of the officers had been very useful from the point of view of analyses of the contents of rations used in the great war. As a result of the experience, certain recommendations were made. The Canadian council on nutrition and the national research council were consulted, and an officer, who I believe is Doctor Tisdale, has been appointed as adviser on nutritional matters to the Department of National Defence. As a result of these discussions the rations were varied and increased, and in some respects fairly materially altered. Broadly speaking, that is what happened.

Mr. GREEN: Are bully beef and hardtack still staples?

Mr. MACKENZIE (Vancouver Centre): I am sorry, but I cannot tell my hon. friend that.

Mr. HATFIELD: Why was the grant of $5,000 to New Brunswick sent to the provincial secretary? Why was it not sent to the officer commanding military district No. 7, the military district for that province? No one knows of any money having been paid out for air raid precautions in New Brunswick.

Mr. MACKENZIE (Vancouver Centre): The reason was that the order in council was so worded. The provincial treasurer was the agent to whom in each case the grant was sent, for the reason that in every case we were dealing with civilian authority and not with military authority. That is the basis of this grant in every province in Canada.

Mr. HANSELL: A little while ago a discussion centred on state medicine. While I do not wish to prolong this discussion, there was something said concerning the work of provincial governments in connection with tuberculosis. Are any of the provincial governments giving free treatment for tuberculosis cases? I understand that the Alberta government have spent nearly $400,000 in the last four years on tuberculosis. I cannot say how much of that has been devoted to free treatment, but I do understand that a considerable amount has been spent for that purpose. I believe that Manitoba also has some health services in the way of free treatment for tuberculosis. Are any other provinces giving free treatment? As has been said, people have no money to pay for treatment, and sometimes we find some man breaking a glass window and going to gaol and obtaining some medical treatment in that way. It seems to me to be an admirable thing if the provinces can give free treatment.

Mr. MACKENZIE (Vancouver Centre): I am informed that half the population of Canada is entitled to free institutional treatment at the present time, the provinces being British Columbia, Alberta, Saskatchewan and Ontario; and I believe there are some services in Manitoba.

Mr. HANSELL: I believe mental hygiene is an important subject for us to talk a little about. Throughout the last few years insanity

has increased a good deal in Canada. If what we read can be believed, it seems that the mental institutions of the country are overcrowded. I do not see in the items, from beginning to end, anything on that subject. Could the minister tell us what relationship his department has to the provinces with regard to mental cases?

Mr. MACKENZIE (Vancouver Centre): The question has always been a provincial one, but there is in the estimates a grant of $10,000 for the mental hygiene council, and the only direct responsibility of the federal government is in regard to such of our ex-service men as are looked after in the hospitals.

Mr. HOWDEN: A good deal has been said about national health or state medicine, and since it was my privilege to introduce this subject back in 1931 and for several subsequent sessions, perhaps I should not let this occasion go by without saying a word or two in this regard. I would have spoken sooner, but I felt that in the days of the depression bread and butter were even more necessary to the people of Canada than free medicine; and now that we are faced with a cataclysmic war, I feel that our war effort supersedes all other questions in the interests of the Canadian people.

There is no doubt that state medicine is a desirable institution if it can possibly be brought into existence. There are many reasons to be advanced in its support, and reasons have been given pro and con by many members of the house, so that I do not think it is justifiable to-night to delay the committee by rehearsing them. I would, however, offer this suggestion alone, that if it is to the advantage of the nation to supply the growing generation with free education, then surely the health not only of children but of the men and women who compose the nation comes before schooling. There has been free schooling for a very long time. Why should not public health, which is of greater importance, receive consideration prior to education?

I do not think I shall labour the matter further to-night, but when my good friend and old time chum the hon. member for Fort William (Mr. McIvor) rose to put the matter before the committee again, I wished to associate myself with him in his endeavour. But this is not the time to consider state medicine; and since the Sirois commission have brought down their recommendation, my own ideas do to a large extent coincide with the suggestion they have put forward, namely, that medicine should remain in the hands of the provinces. I believe, however, that, as in the case of old age pensions, if the federal authority see fit to advance sums of money to the provinces for distribution in this way, they might very readily perform a similar service in the matter of public health and stipulate that uniform provision shall be made for the people of Canada in all the provinces.

Mr. NICHOLSON: On page 159 of the report of the Department of Pensions and National Health I find a reference to the service carried on by the Canadian Council on Nutrition. I wonder if the minister has any information to give the committee in regard to the findings of the council in this connection. I quote from the report:

> During the year the Canadian Council on Nutrition adopted and has since revised a Canadian dietary standard. This standard outlines the requirements necessary to supply the needs of the body in regard to various constituents of food. Some of the revisions were made on the basis of experience derived from dietary surveys being carried out by the council.

Can the minister give us any information in this regard?

Mr. MACKENZIE (Vancouver Centre): Last night I gave information to the hon. member for Vancouver East (Mr. MacInnis). The reports to which my hon. friend refers will be ready in two or three months' time. Four universities are cooperating with regard to reports to be published.

Mr. COLDWELL: I believe there are some iron lungs in Canada and the department has something to do with their distribution. Can the minister give us any information?

Mr. MACKENZIE (Vancouver Centre): Lord Nuffield bequeathed one to every public hospital in the dominion, and all were delivered.

Mr. COLDWELL: How many?

Mr. MACKENZIE (Vancouver Centre): Several hundred, I believe.

Mr. ROSS (St. Paul's): I have been listening with some interest to the remarks which have been made with regard to air raid precautions in some of the provinces. Does the minister not think it advisable that cities like Toronto and Hamilton should have some opportunity of getting to know something about these precautions? In my own city the people know nothing whatever about them. They have not the faintest idea. Would it not be well for the department to take steps to deal with the situation? These people may be going to other parts of the country; they may not be staying in their own cities.

Mr. MACKENZIE (Vancouver Centre): Initial steps by way of recommendation with regard to vulnerable areas should come from

qualified military officers. In the second place, the essential element would be cooperation of the provinces with the department in connection with air raid precautions.

Mr. POULIOT: Here is a place where the pick-and-shovel men are better than the clerks of the branch.

Mr. ROSS (St. Paul's): Would a request have to come from the province to have this done?

Mr. MACKENZIE (Vancouver Centre): The procedure has been as follows: Where certain areas were defined by the officers of the Department of National Defence as being vulnerable, they were brought to our attention. We immediately wrote to the premier of the province asking for their cooperation, and committees were formed to carry out the necessary work.

Mr. ROSS (St. Paul's): I still think it might be a very good idea; it might bring to the attention of certain sections of Canada that we have a war on; it would educate them. Would the minister not consider having some steps taken along these lines?

Mr. CASTLEDEN: It seems to me that as a result of the recommendation of the Sirois commission, the health of a good many Canadians will depend too largely on the economic condition of their province. I should like to have more information on the way in which the grants are going to be apportioned. I know that in the west, particularly where the crops are light, the health of the people is going to suffer very severely, and is suffering now.

Item agreed to.

Health branch.

238. Food and drugs, $174,565.

Mr. GREEN: Will the minister explain this vote?

Mr. MACKENZIE (Vancouver Centre): It is for the administration of the Food and Drugs Act, which is for the protection of the purchasing consumer by preventing or prohibiting adulteration or misrepresentation in the sale of food and drugs. Food or drugs are misbranded within the meaning of the act if the specific requirements regarding labeling are not observed, or if false claims are made for the article on labels or otherwise. A special section in the act provides for the licensing and control of the manufacture of serums, vaccines and other medicinals of a biological nature. The statute, while it provides for the seizure of adulterated or misbranded stocks and the prosecution of those who merchandize them, is not entirely punitive. Much of the control is exercised by preventive action in which the industry and the trade cooperate. It is only in this way that the enormous volume of these numerous and important commodities can be dealt with.

The services of inspectors and analysts are essential, with laboratory services planned on district lines. The dominion analysts number twenty-three; the inspectors, twenty-seven; laboratories are located in Halifax, Montreal, Ottawa, Toronto, Winnipeg and Vancouver, with inspectors at these and other points. This organization follows a definite policy planned to make the best possible use of all available facilities. The four main considerations are: first, to ascertain to what extent there is adulteration or misbranding in foods and drugs of the greatest importance; second, to arrange for correction at the source when adulteration or misbranding is found to exist; third, unless there is a menace to health, the officials of the department are not inclined to make seizures and institute legal proceedings until other methods of persuasion fail; and fourth, to avoid making the small retailer the victim when entering prosecution, unless we find the manufacturer or other party responsible for adulteration operates in such a way that we cannot obtain samples of adulterated stock on his premises. Before entering prosecution in any case, it is made certain that the offender has had previous warning. That is generally speaking the scope of the act.

Mr. ROSS (St. Paul's): Is there any regulation which requires manufacturers of food and drugs to submit samples to the department?

Mr. MACKENZIE (Vancouver Centre): No.

Mr. ROSS (St. Paul's): It seems to me that the work which has to be done under this vote is tremendous. Is the onus not put on the manufacturer of these goods to submit samples so that they may be examined; or do the inspectors have to go round from place to place and pick up samples, or do they wait until someone makes a complaint? Also, are such places as the Connaught laboratories in Toronto under inspection? There is no need for inspection there, but does inspection take place?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. ROSS (St. Paul's): Surely that is not necessary. After all, the Connaught laboratories are under the observation of the government of Ontario and the university of Toronto. Are there any other places like that where

we have unnecessary duplication of supervision? I think we should know a little more about this vote along these lines.

Mr. MACKENZIE (Vancouver Centre): There is no provincial responsibility in regard to these particular functions; they are entirely a federal function.

In answer to the first part of the hon. member's question, the inspectors purchase their supplies on the open market. Of course there is a responsibility on the manufacturer and on the vendor; and if complaints are made action is taken, but generally speaking action is taken as a result of inspection and examination by the inspectors purchasing their own supplies.

Mr. ROSS (St. Paul's): Do these inspections relate mostly to food or drugs?

Mr. MACKENZIE (Vancouver Centre): To both equally.

Mr. ROSS (St. Paul's): I certainly do not think there is any need for having an inspector at the Connaught laboratories in Toronto. I do not think any inspector we could put there would be able to pass on the products turned out by that laboratory as well as the people who are there. Whoever you have there as inspector might very well be transferred to some other job. I wonder whether there are other cases of the same kind. The Connaught laboratory is practically a government-owned institution, and I am certain that they can do all the inspecting that is necessary without having duplication by this government.

Mr. MACKENZIE (Vancouver Centre): What my hon. friend says may be quite true. But there is responsibility on the federal authority to carry out these inspections. It casts no reflection on the Connaught laboratories. The inspectors go to any place where it is necessary.

Mr. ROSS (St. Paul's): Has the Connaught laboratory requested inspection?

Mr. MACKENZIE (Vancouver Centre): I am informed that that has happened too.

Mr. GREEN: Have there been any cases of false labeling of goods imported from other countries?

Mr. MACKENZIE (Vancouver Centre): I am informed that false labeling has been very substantial, about ten per cent at the points of entry.

Mr. GREEN: From time to time there has been considerable trouble with Japanese importations. Is that trouble continuing?

[Mr. Douglas G. Ross.]

Mr. MACKENZIE (Vancouver Centre): It is disappearing, I am informed.

Mr. COLDWELL: How many cases have been threatened with action during the past year for contravention of the pure food provisions of the act?

Mr. MACKENZIE (Vancouver Centre): I have not that information under my hand, but I shall be glad to get it for my hon. friend.

Mr. McCANN: A year ago the Food and Drugs Act was amended so as to broaden its scope by the expansion of certain existing sections and the addition of certain new definitions and sections. The report says:

> When the amendment is proclaimed and provision made for its enforcement, cosmetics will come within the scope of the Food and Drugs Act and regulations for their control will be prepared.

Has the amendment been proclaimed and what are the regulations for the control of cosmetics?

Mr. MACKENZIE (Vancouver Centre): I am informed that the legislation in regard to cosmetics has not been proclaimed. There was a second section in the bill, I believe, in regard to surgical sutures, and that has been proclaimed.

In reply to the question asked by the hon. member for Rosetown-Biggar (Mr. Coldwell) I think I have some of the information at hand. I believe my hon. friend also was about to ask for an explanation of the set-up of the vote in regard to temporary assistance, and perhaps I can give the answers to these questions together. As will be seen by looking at the details of item 238, there is a reduction in several items, as follows:

Telephones, telegrams and postage	$ 200
Equipment	500
Sundries	5,250
Professional and special services	300
Materials and supplies	1,500
	$7,750

This decrease, however, is offset by additional salary requirements of $15,285, due to statutory increases and the employment of four additional chemists whose services are necessary for the analysis of a greater number of foods and drugs on the market and the additional work occasioned by the amendment to the Food and Drugs Act of last year. Last year 28,050 samples of food and drugs were examined in the six laboratories of this department, as compared with 23,849 in the previous year and 23,408 in 1937-38. The services of four additional analysts were required to take care of this additional work. In addition, 50,573

shipments of foods and drugs were inspected at customs ports of entry. That partly answers the question of my hon. friend.

Then something was said about prosecutions, the answer to which will be found on page 108 of the report of the Department of Pensions and National Health, as follows:

During the year eighty-three prosecutions were instituted. Seventy-two of these cases arose from contravention of the regulations pertaining to meat, meat products and meat by-products. The remaining eleven prosecutions constituted infringements of the statute and the regulations made thereunder, dealing with drugs, jam, pepper, pickles and beverages. Voluntary payment of the minimum penalty and costs as provided by section 26 was accepted in seventy cases, and convictions were registered in thirteen.

Mr. COLDWELL: That is a relatively small number of cases out of the many examinations that were made. Were those all the contraventions of the act that were discovered? If so, I think we are to be complimented.

Mr. MACKENZIE (Vancouver Centre): I think the results are obtained more by persuasion than by prosecution.

Mr. COLDWELL: But there were more contraventions of the act than those indicated by the prosecutions?

Mr. MACKENZIE (Vancouver Centre): I think so. Probably they would be given the benefit of a warning in the first instance.

Mr. NICHOLSON: At page 99 of the report it states that there were 3,794 cases of adulteration or misbranding or both. It would seem that eighty-three prosecutions was a very small percentage of that number.

Mr. MACKENZIE (Vancouver Centre): They were probably warned for the first offence. If there should be a repetition, there would be nothing else for it but prosecution.

Mr. LOCKHART: I should like to ask a question in connection with the importation of canned food products coming from countries where pure food laws are not in existence. I mentioned this point a year ago. Is any effort being made to keep out canned foods of different kinds, possibly canned meats, that are put up under conditions which do not comply with our regulations in this country? I know of things that have been found; I know of the conditions under which some foods are canned, conditions which are almost inconceivable, yet those food products reach our markets. I am wondering whether any restraint is placed upon the entry of foods put up in warm climates and shipped here.

Mr. MACKENZIE (Vancouver Centre): I am informed that they cannot be marketed under our legislation unless they conform to the provisions of this act. Of course there are some provisions in the Meat and Canned Foods Act which also govern the situation.

Mr. LOCKHART: If I might pursue that just a little further, in the warmer climates canned fruits are not put up under anything like the conditions that exist here. For one thing, the employees are not dressed in keeping with our standards. I do not want to labour the point, but I assure the minister that I have seen something of the conditions which exist, yet I saw those products sold in this city last year.

Mr. MACKENZIE (Vancouver Centre): Possibly that comes under the other legislation I mentioned, but I shall be glad to look into the situation.

Mr. MacINNIS: Just following the remarks of the hon. member for Lincoln (Mr. Lockhart), how could the inspectors here know that the imported foods were put up in conformity with our legislation? Does any inspection take place at the point of production in the country of export; and if not, how would we know?

Mr. MACKENZIE (Vancouver Centre): Does my hon. friend mean within this country?

Mr. MacINNIS: No, outside this country.

Mr. MACKENZIE (Vancouver Centre): There is no control there.

Mr. MacINNIS: Then, when those foods reach the point of importation, how can we tell whether they were put up in a clean, sanitary manner or otherwise?

Mr. MACKENZIE (Vancouver Centre): The only remedy we would have would be, first, the inspection and analysis of samples at the point of entry, and, second, a certain knowledge that does exist in regard to the standards of other countries. Of course these may not be lived up to, as my hon. friend knows.

Mr. NICHOLSON: What is the procedure in dealing with extravagant claims made for many patent medicines?

Mr. MACKENZIE (Vancouver Centre): That comes under the next item.

Mr. HOMUTH: We have been talking about inspection. I do not know whether the minister can answer this question, but has the Department of Agriculture a special inspection branch which would check, for instance, the contents of certain patented foods such as hog foods and chicken foods, or would that come under this department?

Mr. MACKENZIE (Vancouver Centre): I am not certain, but my information is that they have such a branch.

Mr. HOMUTH: It does come under the Department of Agriculture?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. HOMUTH: I was just wondering if we had some duplication of services, and whether, under this department, we might have an inspection service handling all these matters for the Department of Agriculture and other departments of the government. There is the possibility and the danger of overlapping, as was found to be the case in connection with motion pictures, and so on. I wonder if we have that here to a certain extent.

Mr. MACKENZIE (Vancouver Centre): Yes, we have, to a certain extent. This is my note on that point: With the understanding that our own work under the provisions of this act is to receive first attention, analyses are made for other departments of the government as a matter of cooperation, especially where such departments have no laboratory in the district concerned. In the past, work has been done for the departments of national defence, post office, national revenue, agriculture and mines and resources.

Mr. COLDWELL: The hon. member for Mackenzie (Mr. Nicholson) asked a question with regard to drugs, and he was told that it would come more properly under the next item. Could the minister explain why we should have three separate divisions: first, food and drugs; then, opium and narcotic drugs, and, finally, proprietary or patent medicines, which also contain drugs. What is the distinction?

Mr. MACKENZIE (Vancouver Centre): Because they are each governed by separate and distinct statutes.

Mr. COLDWELL: It is according to statute?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. HOMUTH: In connection with canned goods which perhaps normally would come under the Department of Agriculture, would the checking of weights, for instance, come under this department?

Mr. MACKENZIE (Vancouver Centre): No; it comes under the Department of Agriculture.

Mr. HANSELL: We have been talking with respect to the Food and Drugs Act, and have considered foods put into cans and bottles, and foods otherwise packed. I have a question I should like to ask which may sound a little foolish. Perhaps I should know more about the Food and Drugs Act, but I am wondering if that act has any relationship whatever with the cooking of foods in restaurants. I assure the committee that this is not a foolish question, because I happened to find a cockroach in my soup not long ago. Surely there is something wrong when we talk in terms of pure foods, and at the same time find cockroaches in our soup.

Mr. POULIOT: Perhaps it was a pure cockroach.

Mr. HANSELL: There are many medical doctors in the house who perhaps would say that there is some nutriment in cockroaches; I do not know.

Mr. HOWDEN: There might be, if you had enough of them.

Mr. MACKENZIE (Vancouver Centre): The tragic situation to which my hon. friend has referred is the responsibility of the provincial and municipal authorities.

Item agreed to.

Health branch.

239. Opium and narcotic drugs, $46,005.

Mr. POULIOT: I would be thankful to the minister if he would tell me at what page of the report of his department this branch is mentioned.

Mr. MACKENZIE (Vancouver Centre): Page 109 of the annual report for the year ended March 31, 1939.

Mr. POULIOT: Thank you. What are the qualifications of the chief of that branch?

Mr. MACKENZIE (Vancouver Centre): The qualifications which would be expected in any officer of that kind: a knowledge of the statute, absolute fearlessness in carrying out the regulations based on the statute, a knowledge of the international conventions existing in relation to the narcotic traffic and similar qualifications.

Mr. POULIOT: Those are the qualifications of a policeman and a commercial traveller. They are not the qualifications of a chemist. Is Colonel Sharman the chief of the branch?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. POULIOT: Not "charmant," but "Sharman." I want to know if he has any knowledge of chemistry, and if a knowledge

of chemistry is necessary to discover narcotics in powders which may be sent to the department?

Mr. MACKENZIE (Vancouver Centre): With regard to chemistry I would say that our laboratories are used entirely for that purpose. In regard to the gentleman who heads the branch, I would point out that he has extensive ability in connection with conferring with the authorities responsible for law enforcement under the statute, and to my own knowledge he is highly regarded in all the provinces in Canada.

Mr. POULIOT: This is no answer. I ask the minister in the first instance if Colonel Sharman knows anything about chemistry, and if it is necessary for the head of that branch to know something about chemistry. Those are two questions, and I want answers to them.

Mr. MACKENZIE (Vancouver Centre): I have no information as to whether or not he is a chemist. My opinion is, however, that he is not. In the second place, I think adequate precautions are taken to see that chemical requirements are met in other directions.

Mr. HOWDEN: If I know anything about the matter, this department helps to run down the distribution of illicit narcotics. That is what this expenditure is for. It is a branch set up for the purpose of intercepting opium, cocaine, heroin, and drugs of that kind, which are brought into the country illegally. The work of the department is really that of a super-policeman. It carries on detective work. Colonel Sharman is an old policeman, by training; he is an efficient officer, and I am happy to say these words in his defence.

Mr. POULIOT: Oh, that is all right. The hon. member for St. Boniface may have met Colonel Sharman socially. But I was chairman of the civil service committee when I told him to appear before us, and as the minister is reluctant to tell the story I shall tell it to the committee. In the first place the name of Doctor Sharman was mentioned regarding some—

Mr. MACKENZIE (Vancouver Centre): He is not a doctor.

Mr. POULIOT: That is of very little importance. But I am going to show who he is and what he is. As the minister will not say it, I will say it. I want to inform the committee, because I seem to know more than the department, and I seem to know more than the hon. member for St. Boniface, for whom I have the highest regard. In the first place I asked Colonel Sharman if it was necessary to have a certain knowledge of chemistry to be the head of the opium and narcotic drugs branch, and he said, "Yes." I said, "Do you have any knowledge of chemistry?" and he said, "No." Then I said to him, "Did you ever have any experience with narcotics?" and he said "Yes." I said, "What narcotics?" and he said, "Nitric acid." Put that in your pipe and smoke it.

Then I asked him—and I say all this for the information of the minister and for the information of the two good-looking gentlemen who are sitting in front of him, one of whom is blushing—

Mr. MacNICOL: Why not look this way, too.

Mr. POULIOT: And for the information of the hon. member for Davenport. Now, sir, the hon. member for St. Boniface mentioned that it was important to have a policeman at the head of the branch. The duty of a policeman is to make seizures. I asked Colonel Sharman if he had made any seizures while he was head of the branch, and he said "No." I said, "Who makes the seizures?" and he said, "It is the R.C.M.P."—the Royal Canadian Mounted Police. I said, "Then, you are taking advantage of the work that is being done by the Royal Canadian Mounted Police to justify your position?" He was embarrassed; he did not answer.

I asked him, "In fact, what do you do?" He said, "We did something very important. When drugs were imported from China, it was important to decipher them. We got in touch with an expert in Washington, and we saw that that expert was sent to Vancouver to decipher the telegrams respecting narcotics which were there." That was the only thing done by the branch.

Sir, this is the most ridiculous thing. What is being done by that branch? Are they doing something towards seizing narcotics? No. Are they preventing one drug fiend from using narcotics?

Mr. HOWDEN: Yes, they are.

Mr. POULIOT: That branch?

Mr. HOWDEN: Yes, all the time.

Mr. POULIOT: Then how is it they do not make seizures? All they do is take advantage of the work done by the Royal Canadian Mounted Police, according to the evidence given by that same Colonel Sharman, when he was before the committee. Is there any chemist in the branch? I would ask the minister that question?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. POULIOT: Who is he?

Mr. MACKENZIE (Vancouver Centre): He is a travelling auditor and druggist.

Mr. POULIOT: How is it that he is not mentioned as chemist in the branch?

Mr. MACKENZIE (Vancouver Centre): Among his qualifications is that of being a druggist.

Mr. POULIOT: What is his description in the details of the expenditures in connection with the Opium and Narcotic Drugs Act?

Mr. MACKENZIE (Vancouver Centre): Travelling auditor.

Mr. POULIOT: Travelling auditor?—commercial traveller! And not only that; I would ask the minister a question about the tremendous amounts of money which have been paid to that Sharman to go to the League of Nations to sign papers or treaties about narcotics. I should like to know how many times he has been sent to Geneva to attend the meetings of the League of Nations. I should like to know how many times this policeman, who is head of the narcotics branch, has been sent to Geneva and what was the cost of his trips?

Mr. MACKENZIE (Vancouver Centre): He has not been sent once to Geneva by this department. I am informed that several times he was sent by the Department of External Affairs.

Mr. POULIOT: Then he is an ambassador. He has ceased to be a policeman. First he was a policeman; then he was a commercial traveller, and now he is an ambassador. Was he on loan from the Department of Pensions and National Health? If so, how many times?

Mr. MACKENZIE (Vancouver Centre): I have not that information before me.

Mr. POULIOT: Now here is a man who is a bombast, who has the qualifications of a policeman and yet is head of a branch at the ridiculous salary of $4,500. Just look at what is paid to the members of this branch which deals with opium and narcotic drugs. The list is quite long and I shall have to put on my glasses. First there is the chief of division, Colonel Sharman, who receives $4,500. Next there is an assistant chief of division. Is he a chemist? What is his occupation?

Mr. MACKENZIE (Vancouver Centre): He is the assistant.

Mr. POULIOT: I know he is the assistant to the policeman, but I want to know his qualifications.

[Mr. Pouliot.]

Mr. MACKENZIE (Vancouver Centre): He was a former member of the mounted police.

Mr. POULIOT: Another mountie. Does he possess any qualifications in chemistry? The minister nods negatively. Then there is a travelling auditor. Is he a chemist? There was a scandal in connection with his appointment. You will remember that, Mr. Chairman, because you were a member of the civil service committee. It was a clear case of favouritism, as everybody knows. All this is on the official record. Next there is a principal clerk. Is he a chemist? Does he know anything about opium and narcotics? The minister nods his head. Then there are two clerks, grade four. Then there is one clerk, grade three, and one clerk, grade two. Then there is one stenographer, grade three; four, grade two; two, grade one, and one typist, grade two. I should like to know if any one of these people has any knowledge of chemistry. Can any one of them tell the difference between cocaine and Five Roses flour? When we complain about these people being appointed, we are insulted by the press. I protest strongly about this.

There is no reason for this branch because all the work is done by the Royal Canadian Mounted Police. All the qualifications that this man needs is the ability to sign his name on papers for the League of Nations. When I first complained about Colonel Sharman, the minister was not in charge of the department. I am surprised that the Department of Pensions and National Health did not take note of the time that this man was away from the department. This proves that his presence in the department was not necessary. I ask the minister if it is the custom of his deputy to allow employees to run around the world for other departments. If that is so, this deputy should be fired and replaced by a man like Doctor Yates. He has been endorsed by my hon. friend from Toronto, and I concur with him in that endorsement. It is time to get rid of a nonentity like the deputy minister here. I should like to see him replaced by Doctor Yates who is an able man. I do not see how the deputy minister gets away with it. He is paid $4,500 a year and he can leave his office to go away on trips. Note has not been taken of the time he was absent from his office. The Department of Pensions and National Health is in complete disorder and it is time the deputy minister was changed. We should get rid of the ruling class that is in that department, this class that takes advantage of the great word "health" in order to get fat on doing nothing.

Mr. HOWDEN: I certainly have no animus toward the hon. member for Témiscouata—

Mr. POULIOT: I have no animus, but I find it scandalous.

Mr. HOWDEN: —but I do not believe it is quite fair that he should attack a valuable official in this way in the House of Commons. I have known something of Colonel Sharman for a good many years. He is head of the narcotic drugs branch of the Department of Pensions and National Health. This is an investigating branch having to do with the illicit sale and use of drugs. During the last ten or fifteen years the illicit use of narcotics in Canada has practically disappeared. It is the work of Colonel Sharman to deal with the unfortunate victims of narcotic drugs and I think he has made a pretty fair success of his work. I do not know why this man should be attacked. I do not know him very well personally, but I know he is an old mounted policeman. He got splendid training in the force and was a senior officer before he was appointed head of this branch. He has given good service in the branch and I would not like this committee to be under any misapprehension as to the quality of his services.

Mr. POULIOT: I have every respect and consideration for the hon. member for St. Boniface, but I protest strongly against his use of the word "attack." I am not attacking a civil servant; I am judging him. I had an opportunity of judging Colonel Sharman when he appeared before the committee of which I was the chairman. I am telling this committee exactly what is there on the official record. There has been no attack on a civil servant any more than there has been an attack on or criticism of a butler or a bootblack. I think we have a right to criticize those who receive the money which we vote here. We can say what we think of them. I protest strongly against the use of the word "attack" being applied to the remarks of members of parliament in connection with the actions of civil servants. I warn the minister to be very careful because he cannot rely on all the civil servants that are in the department. I tell him that most sincerely and honestly. I say it as a friend to a friend, and I would say the same thing to any minister who happened to be in charge of that department.

Mr. NICHOLSON: As a new member I have listened carefully to the remarks of the hon. member for Témiscouata, who sits on the government side of the house. As yet the minister of this department has not risen to defend the chief of this branch. I for one will find it difficult to support an appropriation of $4,500 for a chief of a branch who so far has not been upheld by the minister.

Mr. MACKENZIE (Vancouver Centre): My hon. friend is incorrect. I did that at the outset, at the first mention of this gentleman.

Mr. NICHOLSON: The hon. member has pointed out that this man is not a chemist.

Mr. POULIOT: He is not.

Mr. NICHOLSON: And also that the assistant chief is not a chemist.

Mr. POULIOT: He is not.

Mr. HOWDEN: His duties are not those of a chemist at all.

Mr. NICHOLSON: The hon. member for Témiscouata has placed before this committee certain information which to me as a new member appears to be quite relevant. Unless the minister can rise and say something in defence of this particular branch I shall have difficulty in voting for this item.

Mr. McCANN: I desire to associate myself with the hon. member for St. Boniface in his defence of the head of this department and of the administrative officers of the national health branch of the department. The tirade of abuse from the hon. member for Témiscouata is absolutely indefensible and unwarranted. If he is going to vent his personal spleen—

Mr. POULIOT: Sir, I rise to a point of privilege, and I would like the hon. member for Renfrew South, the would-be minister of national health, to sit down. He has no reason to impute motives to any hon. member. What I said was not of rancour, was not of anger; I just said what I thought I should say, in conscience, for the public good. I want the hon. member for Renfrew South to withdraw what he said, that I have been acting on personal motives of anger or hatred against any official of the Department of Pensions and National Health. He has no right to say that. I strongly protest against it and I want him to withdraw those words. He has no right to impute anything like that to any of his colleagues.

Mr. McCANN: The hon. gentleman in his last statement is imputing to me motives which were not intended. He cannot put words in my mouth. If he will listen until I have made my statement, perhaps he will then have some reason to talk. I say again that his tirade of abuse—

Mr. POULIOT: Mr. Chairman, I ask you to decide the question of privilege.

Mr. McCANN: My language was absolutely parliamentary.

Mr. POULIOT: I would ask the hon. member for Renfrew South kindly to sit down and listen to the chair.

The CHAIRMAN: I ask the hon. member for Témiscouata to wait until the hon. member for Renfrew South has finished his sentence, when I shall be in a better position to decide the question.

Mr. McCANN: I say that the hon. member's tirade of abuse is indefensible, and if he is going to vent his spleen on public officials then it is too bad for the public service of this country. I submit to this committee that I would be in just as good a position to criticize the legal advisers of the Minister of Justice as he is to criticize the advisers of the national health branch. The gentleman who has control of this division is not a chemist. If a chemist were needed, one would be employed. He is an officer.

Mr. POULIOT: I rise, sir, to a point of order. The hon. gentleman has stated his point on the question of privilege and is now continuing his speech before you make your decision on that point. I should like to know if the hon. member has the right to impute personal motives to the member for Témiscouata. That is all.

The CHAIRMAN: If the hon. member for Renfrew South is imputing motives, he is out of order. Although I did not follow the whole argument, I did not find any word he said there which was unparliamentary.

Mr. McCANN: Mr. Chairman, I say that the gentleman who has control of the division of narcotics is considered by those who are in the best position to know, namely, the people with whom he is dealing throughout the country, to be a competent officer, and the results of the administration of his department bear out that contention. There is nothing more demoralizing, both physically and morally, than drug addiction, and if we in this country can get officers of sufficient courage and knowledge of the drug traffic to cut down that particular trade we are going to prevent a great deal of future trouble.

An hon. member asks if so-and-so is a chemist. When these seizures are made, when drug stores throughout the country are visited and samples are taken of what is purported to be sold as a drug one hundred per cent pure, for instance, codeine and heroin and other such drugs, and analyses have been made on the spot, those samples are sent in to the laboratory which is part of the equipment of the department. I submit to you, Mr. Chairman, that the money spent in this division is well spent, and that the protective and preventive work which is being done by the narcotics division is work which should and does receive the commendation of people who are in the drug trade and of men who are in a position to pass judgment upon the work of that division.

Mr. POULIOT: Mr. Chairman, I do not see how the hon. member for Renfrew South can state that a layman cannot express any view about this branch. It is all composed of laymen, and therefore we are all on a common ground.

On the other hand, sir, now that you have had time to check by the book of rules, I would ask you please to make your decision on the imputation of personal motives to the member for Témiscouata by the hon. member for Renfrew South. Has an hon. member the right to impute personal motives to any other member?

Before I take my seat, allow me to say that I am wholly in favour of the fight against narcotics; but it is not carried on by that branch, it is done by the Royal Canadian Mounted Police, where they have chemists who can do their own job and do not have to transfer the whole thing to another department.

Mr. McCANN: May I ask a question?

Mr. POULIOT: Ask any question.

Mr. McCANN: Who would the hon. member suggest should carry on this work?

Mr. POULIOT: I will ask the hon. gentleman to sit down, and I will rise. I suggest that things go on as they are now, for everything is done by a department of the mounted police. According to the evidence of Colonel Sharman, all the analyses are made there. The analyses are not even made in the national health branch.

Mr. MACKENZIE (Vancouver Centre): That is incorrect.

Mr. POULIOT: Then there has been a change. I will tell my hon. friend that if he is right, Colonel Sharman is wrong, because when he appeared before me, Colonel Sharman told me that all the analyses were made by the mounted police. Things may have been changed and he may now have all the work.

Mr. MACKENZIE (Vancouver Centre): I am informed that the hon. member's information is entirely incorrect.

Mr. POULIOT: Well, all right, but I was badly informed by Colonel Sharman when he made that statement to me in the committee. I want to tell the hon. member for Renfrew South that there are three things involved in the opium and narcotics service: first, the inspection; second, the seizure; third, the analysis, and afterwards there are reports, prosecutions and so on. But in this case it is my personal knowledge, as having had first hand information under oath from the chief of the branch himself in one of the special committees of this house, that the branch were making no seizures; and I would ask the minister if they are making any seizures.

Mr. MACKENZIE (Vancouver Centre): The police make the seizures.

Mr. POULIOT: Yes. The minister is confirming what I say. The branch do not make any analyses. If an analysis is made by the department, it is made by the laboratories branch, which is an altogether different branch. Therefore, what is the use of the opium and narcotic drugs branch, which is the fifth wheel of the coach? That is the point. Moreover, half of the time the chief is not there; he is travelling to Geneva, signing papers he does not understand.

For all these reasons I do not see why we should vote such an enormous amount of money for nothing. I do not have to stand for abuse by any hon. member, because I am carrying on the fight of the common people. I should like to discuss the same matter before the electors in Renfrew South or anywhere else, and I should get the cheers of the crowd.

Mr. KINLEY: I have had considerable experience in the wholesale and retail drug business. I have been handling narcotics for many years, and I wish to say that the action of the national health branch in the protection of the public against the improper use of narcotics has been most stringent, and, I believe, most effective. With regard to this protective work, there is a man whose name, as I recall it, is Nairn, a graduate of the Ontario pharmaceutical college. I know that he visits Nova Scotia, and he calls on the wholesale trade and makes tours of inspection all over the country. In all our stores the mounted police come once a month and check up on the narcotic books. Your books must be kept in proper order and must be balanced. Once in a while we may hear of some drug addict and usually it is someone who has the privilege of using the drug in some way or another, but the detective work of the department is scientific and most efficient. In my opinion the National Health branch is doing splendid work, and the use of narcotics in Canada, as I know it, is almost entirely legitimate.

With regard to what has been said about the deputy minister, I feel as a personal friend that I should say a word. For eight years I have been president of the St. John Ambulance Association of Nova Scotia, and the deputy minister of health I have known as one of the leading officers of that organization in Canada. In all my communications and dealings with him I have found him a public-spirited man highly thought of by the order of Saint John in Canada and by members of the association to which he has given most valuable service. It seems to me that there should be some chivalry in referring to public servants. We should refrain from attacking a man who cannot defend himself, an officer who comes here to assist his minister. I believe there should be criticism where necessary, and while no doubt the hon. member for Témiscouata (Mr. Pouliot) has done a great service to the country as an iconoclast who has torn down shams, at the same time, as one coming from the eastern coast of Nova Scotia, I think it is my duty to convey a word to this official, from Ontario, who is now attacked, and tell the committee that in the dealings of the Nova Scotia Pharmaceutical Society, of which I am a past-president, and of the Dominion Pharmaceutical Society, of which I am an honorary president, we regard him as eminently fitted for the position he holds.

Mr. NICHOLSON: The hon. member for Témiscouata has on two occasions made statements with regard to the chief of this particular division and the minister has remained silent.

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order. That statement is absolutely incorrect. If the hon. member will look at *Hansard* to-morrow, he will see that the first words I uttered were those of the highest commendation for this particular officer, Colonel Sharman, and I wish to endorse all that has been said by hon. members who have come to his defence. I have not known him long in this department, but I have known him as an individual for years. I have known him as a gallant officer who distinguished himself in the great war and who has won a national reputation for himself and an international reputation for the wonderful work which he accomplished for this country at Geneva.

Mr. NICHOLSON: Thank you. This statement should have been made earlier by the minister. The hon. member for Témiscouata

also referred to a certain scandal in connection with another chief in the department, but that has not been mentioned by the minister. The hon. member referred to a scandal in connection with the appointment of one of the chiefs.

Mr. MACKENZIE (Vancouver Centre): I have no knowledge of that.

Mr. MARSHALL: A number of questions asked on the floor of the house could be answered by a perusal of the report published by the department from year to year. The report which has been tabled during the session deals with the work of the department for the year ended March 31, 1939, about fourteen months ago. Is it the intention of the minister to table during the present session the report for the year ended March 31, 1940?

Mr. MACKENZIE (Vancouver Centre): Yes. This session of parliament came so soon after the end of the fiscal year that it was a physical impossibility to have the report printed in time to comply with the fifteen-day rule. However, I have every hope of having it tabled during the present session.

Mr. MARSHALL: How much of the $50,780 which was voted last year under this item was actually spent during the year?

Mr. MACKENZIE (Vancouver Centre): The sum of $50,239.33 was spent last year.

Mr. MARSHALL: Practically 100 per cent of the vote.

Mr. MACKENZIE (Vancouver Centre): Yes.

Item agreed to.

Progress reported.

On motion of Mr. Crerar the house adjourned at 10.20 p.m.

Monday, June 10, 1940

The house met at three o'clock.

THE LATE HON. NORMAN ROGERS

DEATH OF THE MINISTER OF NATIONAL DEFENCE IN AEROPLANE ACCIDENT—TRIBUTES TO HIS MEMORY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, about seven o'clock last night I received a telephone message from my colleague the Minister of National Defence (Mr. Rogers) asking me if I had received news that seemed more threatening at that moment than any which had been received before. He was referring to the possibility of Italy coming into the war to-day. He mentioned, as his reason for asking me this question, that he had made an engagement to address the Empire and Canadian clubs at Toronto to-day, but was considering, in the light of the menacing situation abroad, the possibility of cancelling that particular meeting. He asked me my opinion about his doing so. I replied that I considered it important that all of us should realize the seriousness of the situation as it was at the moment, but said I was afraid that, if he were to cancel his trip to Toronto at this time, some undue alarm might be occasioned from the fact that the Minister of National Defence had not been able to carry out an important engagement which he had made. He said to me that he would like to be in the house to-day, and would arrange to fly to Toronto and return by aeroplane after the meeting.

I received this afternoon the intimation that my colleague and very dear friend had left this morning about eleven o'clock to go to Toronto to keep his engagement. He had been working on departmental work until the moment he left. At twenty minutes to three this afternoon word came that the plane in which the Minister of National Defence and others were flying to Toronto had crashed somewhere near Newcastle. It is my very sad duty to have to inform hon. members of the house that among others who were killed in that accident was my friend the Minister of National Defence.

I should say to the house that when we had concluded our conversation, the last words Mr. Rogers addressed to me were, "Very well, I will carry on"—carry on with the engagement that he had made. I feel that these are the words that he would like me to give to my colleagues, to all hon. members of this house and to the people of the country at this time. Come what may, a solemn obligation rests upon the shoulders of all of us, and that obligation is to carry on, no matter what the circumstances may be.

This house and the country will appreciate to the full, I believe, how great is the loss Canada has sustained in the death of the Minister of National Defence. I have known many noble characters in my life, but I believe I speak not only my own feelings but the feelings of my colleagues and of many others of those around me when I say that I have never known a more faithful public servant. I do not know that I have ever known a better administrator of public affairs. I have never known a more disinterested servant of the state, nor have I ever known a more beautiful nature or a nobler soul than that of Norman Rogers.

Hon. R. B. HANSON (Leader of the Opposition): I am sure we are all profoundly shocked at the sad intelligence which came to us just a few minutes ago. It was not my privilege to know Mr. Rogers intimately. In fact I cannot recall having seen him until I reentered this house a few weeks ago. But I have long known of his fine intellectual qualities and activities, and I have foreseen for him a great future in the public service of this country. He came from a province which has contributed perhaps more than any other, having regard to its numbers, to the intellectual and public life of Canada. He came of fine old Welsh stock. I am satisfied that had Norman Rogers lived he would have occupied an even higher place in the councils of this nation. I cannot say more at this moment except that from the heart and mind of everyone here there will go forth to his loved ones the utmost sympathy of which we are capable.

Mr. MACKENZIE KING: Before concluding, I had intended to mention to my hon. friend that it has been my sad duty just before the house met to impart to Mrs. Rogers the news of her loss. I was going to ask, as my hon. friend the leader of the opposition (Mr. Hanson) has already done, that you, Mr. Speaker, convey to Mrs. Rogers and her two sons, and I might also add to Mr. Rogers' father and mother, the very deep sympathy of all hon. members of this House of Commons.

Mr. M. J. COLDWELL (Rosetown-Biggar): On behalf of the group with which I am associated I wish to extend our heartfelt sympathy to the government, to the friends of the late Mr. Rogers in this House of Commons, and to his widow, children and other relatives who have suffered such a sad loss. May I say simply and in a few words that we in this group have had a very high regard for the late Minister of National Defence. We have admired his integrity; we have appreciated his singleness of purpose. We sympathized with him in his arduous duties as Minister of Labour, and we feel that the government and this house have lost a valuable colleague and our country the services of a worthy son.

Right Hon. ERNEST LAPOINTE (Minister of Justice) (Translation): Mr. Speaker, the French-Canadian people have lost in Mr. Rogers one of their best friends. His presence at the head of the Ministry of National Defence was for us, I would say, a guarantee and a hope. He had a noble soul and a heart of gold. I deem it my duty to add to the tribute which is being rendered to him to-day the deep sympathy of the people of the province of Quebec for his family, for the Prime Minister, for the members of this house and for the Canadian nation.

Mr. J. H. BLACKMORE (Lethbridge): I believe all will agree that the late minister was one whom all men instinctively trusted; I know of nothing greater that could be said of any man. My group sympathizes deeply with the Prime Minister (Mr. Mackenzie King), both personally and as the chief executive of this dominion, in this hour of great trial. We trust that the hand of providence will so manage matters that the loss will not be irreparable. To those who have been bereaved we extend sympathy which lies altogether too deep for words.

EUROPEAN WAR

RESOLUTION OF BOTH HOUSES OF PARLIAMENT APPROVING ENTRY OF CANADA INTO STATE OF WAR WITH ITALY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in the circumstances of our great loss, ordinarily I would move that the house should now adjourn. But just a few moments ago, I received a cable from London, dated June 10 and signed by the Secretary of State for Dominion Affairs, worded as follows:

> Signor Mussolini is reported to have stated at 6 p.m. to-day that declaration of war had already been handed to the ambassadors of Great Britain and France.

We may assume I think that this statement indicates sufficient authority for this house to declare at as early a moment as possible where it stands in reference to the situation created by Premier Mussolini's action, which was not unexpected. In anticipation that at any moment this step might be taken, I had prepared a few words which I believed to be appropriate. I have added to them somewhat since the announcement of Italy's entry into this war was received. I should like to place them on *Hansard*, and when completed, move a resolution, a copy of which has been sent to my hon. friend, the leader of the opposition (Mr. Hanson), and which he has been kind enough to say he would be prepared to second.

I have just this instant been handed a note from the under secretary of state for external affairs, which reads:

> National Defence says Admiralty signal received saying hostilities will commence against Italy midnight, seven p.m. Ottawa time.

After many months of preparation, provocation in act and word and threat of open hostility, Italy has thrown her resources into the war at the side of nazi Germany.

The motives that have inspired the government of Italy, and the methods which Italy has pursued are well known. With a callousness and treachery second only to that of Hitler, the German dictator, Mussolini, the dictator who holds the Italian people in thrall has chosen what he believes to be the psychological moment to strike at Britain and France in the Mediterranean and Africa in order to satiate his lust for conquest and territorial aggrandizement, and for such glory as calculated duplicity and treachery can bring.

Barely eighty years ago, the peoples of Italy passed from serfdom and disunion to liberty and unity. In the struggles which are imperishably associated with the names of Mazzini, Cavour and Garibaldi, the English speaking peoples gave to the Italian people a moral and material support that contributed in no small measure to the establishment and preservation of the Italian nation. At a time when the rest of Europe looked with eyes of apathy, and even of hostility, upon the rebirth of Italy, the government of the United Kingdom in a memorable dispatch advised the Italian people that they turned their sympathetic eyes to the gratifying prospect of a people building up the edifice of their liberties, and consolidating the work of their independence. The shouts of welcome of the British people to Garibaldi still ring through the years. As his great English biographer said:

> Garibaldi will live as the incarnate symbol of two passions not likely soon to die out of the world, of love of country and the love of freedom kept pure by the one thing that can tame and yet not weaken them, the tenderest humanity for all mankind.

Italy grew in power and influence amidst many evidences of goodwill from those who had hailed her rise to nationhood. Her citizens were welcomed in all the lands of the British commonwealth beyond the seas, and not least in Canada. In the last great war, she shared with us the burden of the day. She was rewarded with some of the fruits of victory. Through many generations Britain and France and their sons and daughters have turned to the art and literature of Italy for solace and inspiration. To countless millions her capital city has been one of the holy places of the world. From Rome the spiritual power and comfort of an ancient and undying faith have gone into the lands of all the earth.

All members of the house will join me, I know, in paying a tribute to the noble example set by the present occupant of the Holy See in his unceasing work for the preservation of peace and the exaltation of humanity itself, amidst the discord and clamour of the world which is falling in ruins around us. All these ancient traditions of freedom and good-will, of true religion, of literature and of art, have been trampled upon and cast by wicked men into the darkness and dust.

It would be a great mistake to underestimate the seriousness of the new situation which has been created. Italy is a nation of forty millions. Under the domination of her dictator, she has been preparing for war longer than any other nation in Europe. A whole generation has been educated to glorify force. It is useless further at this time to regret the degradation of a free and peaceful people, to seek the causes for the change, or to condemn the evil doctrines which have poisoned the hearts and minds of Italian youth. The very names of Ethiopia and Albania are reminders of the use of overwhelming force to subdue the weak.

While at the moment the allied world breathes harder, it may truly be said that it breathes more easily. The suspense of the Italian threat which, since the outbreak of war in Europe, has hung like the sword of Damocles over the heads of the British and French peoples, has now been removed. They are no longer faced with endless duplicity. The addition of Italian strength to the enemy will need redoubled energy and increased determination on the part of us all. Knowing where Italy stands has, nevertheless, cleared the atmosphere and freed the hands of Britain and France for immediate and vigorous action.

The spread of ruthless warfare into other seas, and on other shores, may well have an incalculable effect upon the opinion and attitude of those who still call themselves neutral. While Italy has it in her power to occasion much damage, and to divert the allied effort from the main task of defeating her senior partner, she is herself particularly vulnerable both on the military and economic fronts, and cannot for long hope to stand the strain of war.

History, I believe, will record no action more ignoble than that of Mussolini. During these tragic months he has sat like a carrion bird of prey waiting for brave men to die.

To-day, he has declared war on those who were the traditional friends of his countrymen.

Callously and cynically, he has chosen what he believes is the fateful hour for the swoop and the treacherous blow.

Peaceful overtures, proferred concessions, bonds of ancient friendship sealed by the memory of common sacrifices in the cause of freedom—all these he has bartered for the vision of conquest and the phantom of power.

No one can foretell the horrors that the spread of warfare may bring to the world. But one thing is sure. Retribution will overtake all tyrants, and the dictator of Italy amongst them. It is too early to predict the final effect of this treachery upon those who cannot sit idly by and watch the whole world engulfed in the seas of battle. We may rest assured however that the forces of liberty will rally in a supreme effort of victory.

As for Canada, this new peril to the allied cause will only increase our country's determination to stand resolutely at the side of Britain and France until the powers of evil which threaten the freedom of mankind are vanquished once and for all.

May I add for the information of hon. members in the house that appropriate steps have already been taken to ensure within Canada itself against any threat to internal security arising out of the action of the Italian dictator and his fascist forces.

I should like now to move, seconded by my hon. friend the leader of the opposition (Mr. Hanson):

Whereas Italy has declared her intention to enter the war on the side of Germany and against the allied powers; and,

Whereas a state of war now exists between the United Kingdom and France on the one hand and Italy, on the other; and

Whereas at the outbreak of war the parliament of Canada decided to stand at the side of the United Kingdom and France in their determined effort to resist aggression and to preserve freedom;

It is expedient that the houses of parliament do approve the entry of Canada into a state of war with Italy, and that this house does approve the same.

May I say that when this resolution is passed, its adoption by both houses will be followed by a submission to His Majesty from his Privy Council for Canada, with a view to the authorization by him of a proclamation declaring the existence of a state of war between Canada and Italy.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, the Prime Minister was good enough to communicate to me notice of the intention of the government to introduce this resolution in the event of Italy declaring war on the side of Germany and against the allied powers.

This afternoon he sent me a copy of the resolution, and I rise for the purpose of seconding and supporting the resolution and the action of the government in the premises. To do anything less would be evidence of a lack of solidarity on the part of this nation.

The fascist dictator has proven true to the predictions of the peoples of the civilized democracies. Like the vulture, he viewed the progress of events from afar, and now, thinking this hour the hour of extremity of our gallant ally France, he swoops, like the vulture he is, in order that if possible he may profit by the situation.

While I have no authority to speak on behalf of the allies, yet I do feel it incumbent upon me to voice the feeling that, while the entry of Italy into the war is adding to the great burden which the allies are carrying, it will be met with dauntless courage on the part of the allied nations. The move has been long expected. I feel the utmost confidence that this adverse situation, having long been foreseen, will have been discounted and that the armed forces of the allies, chief among them the French and British fleets, will be prepared to meet this added emergency.

As to Canada's attitude, there can be no doubt. Remote as we are from Italy, yet when she declares war on Britain she declares war on Canada. Notwithstanding the question of unpreparedness, Canada will do her part. We shall make some contribution against this new enemy.

This new situation constitutes a new challenge to Canada as an integral part of the empire. Let us meet it with high hope and courage, with the high purpose that, come what may, the British empire and Canada with it shall not yield until might yields to right and until Christian ideas and philosophies once more triumph in this distracted world.

I hope—I know—that this resolution will be unanimously passed. I know it will meet with the unanimous approval of the Canadian people.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, last September parliament decided that Canada would participate in the war against Germany. To-day Italy has declared war against the allied nations. This war is none of our seeking; it is thrust upon us. And we have no option, it seems to me, but to accept the challenge and to go forward to ultimate victory.

There is no use entering into recriminations, but the long series of events marked by the names of Ethiopia, Spain and Albania afforded us perhaps opportunities in the past of preventing the disaster that has now come upon us. However, that is in the past; we live in the present. We shall cooperate with others in the house and in the country to endeavour to meet the challenge to our democratic institutions and to stop the spirit of aggression which now threatens the whole world.

May I take this opportunity of suggesting again that the time has arrived when the government should consider the mobilization of Canadian industry and resources in order that we may conduct the war efficiently and assist our allies to the best of our ability.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, when, last fall, hostilities broke out, even before Canada declared war, the movement which my group represents in this house announced from Edmonton a firm determination to stand by the side of Great Britain with everything we had until victory was assured. To-day we are equally sternly resolved to do so. We feel that Canada thus far has not concentrated with singleness of purpose or completeness of effort upon the winning of this war. We believe that there are measures which must be taken before we can with full national unity and utmost endeavour prosecute this war with the best possible chance of winning it. We urge at this time upon the government that such measures be taken as will enable this country to go forward with assurance, with confidence, with perfect morale, with maximum effectiveness toward the goal of ultimate victory for Christianity, democracy, and righteous ideals.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I rise to challenge the doctrine of the motion upon the same grounds which I expressed when we declared war against Germany, namely, that I am opposed to any such separatist motion because when Britain is at war Canada is at war; also because it is not Canada that will decide what shall be done—the enemy, a belligerent, will decide that Canada is at war. Ever since 1921 I have opposed in this house the policy of separatism. We see to-day the results of that policy. This house in the Ethiopian war passed a resolution for sanctions against Italy; then, when the Prime Minister was down south, they revoked sanctions against Italy. In the result, Italy, one of our oldest allies, was driven into the German orbit. On Good Friday of last year she was shoved into Albania by Germany, and she became in my opinion nothing but a vassal state of the German reich. Another of our loyal allies, Japan, by the abrogation of the Anglo-Japanese alliance in 1921, in order to appease the United States, was driven out of her alliance with the British empire.

Let it be remembered that for four and a half years in the last war Germany fought the whole civilized world when the allies had Italy, Japan and ultimately the United States of America on our side. The reaction to the collapse of Dunkirk, the Vimy Ridge disaster, and the entrance of Italy into the war should be to place the onus upon the government and not let the government shelter itself behind the appointment of committees or commissions. The onus is upon the government to tell the people of Canada our position in this crisis, and their policy, on the question of national service; it is for them. Are we safe? We know we are not safe. We know that, so far as the issue of this war is concerned, the fate of Canada will not be decided at Quebec or Vancouver or Montreal. It will be decided for this dominion on the English channel and on the soil of France, and in England, and by the air force over England.

I have opposed all along this policy of separatism. I believe that the policy which we adopted and which had the almost unanimous support of the group to my immediate left, the policy of the pacifist, the subordination of the empire to the league, has brought on this war and the disastrous defection of Italy and Japan, two of our best and oldest allies. I am opposed to any such declaration as is here proposed, because we are part of the British empire, and when Britain is at war so are we. In a radio address the other evening the Prime Minister (Mr. Mackenzie King) referred to England as our "ally". England is not our ally. We are part and parcel of the British empire in peace and war alike. It is such separatist policies and declarations which led our enemies in Germany and Italy to believe that the dominions would not respond to the call of the mother country.

For these reasons I repeat my protest against this resolution as unnecessary. I desire to challenge again in this house the doctrine upon which it is based, as I challenged it when the motion was passed declaring war upon Germany.

Motion agreed to.

On motion of Mr. Mackenzie King the house adjourned at 3.40 p.m.

Tuesday, June 11, 1940

The house met at three o'clock.

EUROPEAN WAR

PROCLAMATION DECLARING A STATE OF WAR BETWEEN CANADA AND ITALY

Right Hon. W. L. MACKENZIE KING (Prime Minister): As the house will proceed in a moment to government notices of motions in order to take up the motion standing in my name respecting the defence of Canada regulations, I might perhaps be permitted to

give hon. members one or two communications and statements which I believe they would wish to have immediately and which otherwise might not be reached in the course of the afternoon.

The first communication is one received this morning from the High Commissioner for Canada in Great Britain stating that His Majesty the King had given his approval at Buckingham palace at 10.55 a.m. British summer time to-day to the proclamation declaring that a state of war exists between Canada and Italy as and from the 10th day of June. The proclamation has since been published in the *Canada Gazette*, and I would ask the permission of the house to allow it to be printed in *Hansard*:

Proclamation

L.P.Duff,
Administrator.
[L.S.]

Canada

George the Sixth, by the Grace of God of Great Britain, Ireland and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India;

To all to whom these Presents shall come or whom the same may in anywise concern,

Greeting:

A Proclamation

Ernest Lapointe, Attorney General, Canada.

Whereas by and with the advice of Our Privy Council for Canada We have signified Our Approval of the issue of a Proclamation in the *Canada Gazette* declaring that a State of War with Italy exists and has existed in Our Dominion of Canada as and from the tenth day of June, 1940.

Now, therefore, We do hereby declare and proclaim that a State of War with Italy exists and has existed in Our Dominion of Canada as and from the tenth day of June, 1940.

Of all which Our Loving Subjects and all others whom these Presents may concern are hereby required to take notice and to govern themselves accordingly.

In testimony whereof We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed. Witness: Our Right Trusty and Well-beloved Counsellor The Right Honourable Sir Lyman Poore Duff, a Member of Our Most Honourable Privy Council, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Chief Justice of Canada and Administrator of the Government of Our Dominion of Canada.

At Our Government House, in Our City of Ottawa, this tenth day of June, in the year of Our Lord one thousand nine hundred and forty and in the fourth year of Our Reign.

By Command,
W. L. Mackenzie King,
Prime Minister of Canada.

THE LATE HON. NORMAN ROGERS

MESSAGES OF SYMPATHY FROM HIS MAJESTY THE KING AND MAJOR-GENERAL MCNAUGHTON

Right Hon. W. L. MACKENZIE KING (Prime Minister): The house, I am sure, would wish to know that I received this morning the following telegram from His Majesty the King:

Buckingham Palace, London,
June 11, 1940.

Prime Minister,
Ottawa.

I am grieved to hear of the untimely death of Mr. Norman Rogers and sincerely sympathize with you and the members of the government of Canada in the loss of a colleague whose services were so valuable at the present juncture both to the administration and to Canada.

George R.I.

Hon. members, I believe, would also wish to hear the following communication which was dispatched yesterday to myself and received this morning from Major-General Andrew McNaughton, the officer commanding the first division of the Canadian overseas active service force:

We have just heard of the fatal accident to the Honourable Norman McL. Rogers, Minister of National Defence, and all ranks of Canada's forces overseas join in expressing our deepest sympathy to you and to your colleagues in the government of Canada in the great loss you have sustained, and we ask that our heartfelt sympathy be conveyed to Mrs. Rogers and her family in their great loss. By a single-minded purpose, his tact and his understanding Mr. Rogers had endeared himself to all with whom he came in contact. For myself, I shall always be very grateful for his patience and for the consideration which he showed to me in the difficulties inseparable from mobilization and for the support which he continued to give.

GREENLAND

PROBLEMS ARISING OUT OF SEIZURE OF DENMARK BY GERMANY—APPOINTMENT OF CANADIAN CONSULAR REPRESENTATIVES

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have a statement which I should like to make to the house with respect to Greenland:

Members of the house are aware that the seizure of Denmark by the Germans created a problem for Canada as the nearest neighbour of the Danish possession of Greenland. The situation was given immediate attention.

The local authorities in Greenland are continuing to administer its affairs. The German-controlled government in Copenhagen is exercising no authority.

In view of the fact that the people of Greenland normally obtain most of their supplies from Denmark and intercourse has now

been suspended, the Canadian government considered it should assist in maintaining the economic life of the island. The steamship *Nascopie,* which is regularly used in the Canadian eastern Arctic patrol, was dispatched on a special voyage with supplies to Greenland. It arrived last week and will shortly bring back a return cargo.

We have thought it desirable that our government should be continuously informed of the situation in Greenland and be in a position to discuss with the local authorities there any questions that might arise. Steps have accordingly been taken to appoint a consul and vice consul to Greenland. Mr. Kenneth P. Kirkwood, until recently first secretary at the Canadian legation at the Hague, has been appointed consul to Greenland and has already taken up his post there. Mr. Kirkwood, who was born at Brampton, Ontario, and is a graduate of the university of Toronto, after serving in the last war, first in the infantry and later in the air force, and working in the Far East, entered the External Affairs service in 1928. He was stationed at Washington and Tokyo before being appointed to the Hague. Mr. A. E. Porsild, who was born in Greenland and is a member of the staff of the Department of Mines and Resources, has been appointed vice consul. The United States has also appointed consular representatives in Greenland.

I may add that subsequently to Mr. Kirkwood's appointment, steps were taken to have Mr. E. D. McGreer at the Canadian legation in Japan, and M. Pierre Dupuy of the Canadian legation staff in France given the position and duties of consuls in addition to their existing work.

INDUSTRY AND THE WAR

CONFERENCE OF CANADIAN MANUFACTURERS WITH CABINET—SUGGESTIONS COMMUNICATED TO LONDON

Right Hon. W. L. MACKENZIE KING (Prime Minister): A day or two ago my hon. friend the leader of the opposition (Mr. Hanson) spoke of the conference which a few days before had taken place between representatives of the manufacturers' association and the government. I intimated to him at the time that the government and the manufacturers had agreed that the best method of proceeding in the matter in which they were mutually concerned was to have a message sent to our high commissioner in London which would set forth the views both of the manufacturers and of the government with regard to Canada's capacity for producing munitions and other essential war materials, and the desire of both to have this capacity made use of to the greatest possible extent. I should like to read to the house, in order that it may be of record on *Hansard* the communication which has since been sent by the government to our high commissioner. It, better than anything else, will make perfectly clear the position of both parties with respect to the matter referred to. The communication was sent by myself on June 8 and was as follows:

On Thursday, June the 6th, our government received a large delegation from the Canadian Manufacturers' Association to discuss the situation with respect to the manufacture in Canada of munitions and supplies for the United Kingdom and allied governments.

The delegation expressed great concern that Canadian manufacturing capacity continued to be used to such a small degree in the supply of essential war materials for the allied governments, despite the willingness of Canadian manufacturers to utilize to the full the resources of their plants for this purpose.

As you know, the government, both prior to and since the outbreak of war, have on many occasions both directly and through yourself, drawn the attention of the United Kingdom government to the availability of Canadian industrial resources, and recently in a telegram to the Prime Minister of the United Kingdom I drew Mr. Churchill's personal attention to Canadian resources in this respect.

At my suggestion that they prepare a memorandum as to what points they felt should be emphasized in representations to the United Kingdom government, the delegation from the Canadian Manufacturers' Association have sent me on June 6th the following communication:

The communication is then quoted in full as follows:

Dear Mr. King:

On behalf of the members of the Canadian Manufacturers' Association, I beg to thank you and your colleagues for receiving their delegation to-day.

We realize fully the burdens which members of the cabinet are bearing and the many demands on their time and only the vital importance of war production would have caused us to seek an interview with you at this critical time. We are very grateful to you and your colleagues for the patient hearing which was given to us and also for the extremely interesting and valuable information that we received.

You were kind enough to offer to cable immediately to the Hon. Vincent Massey, High Commissioner for Canada in the United Kingdom, to ask him to take up with the British government the matters we discussed with you. You suggested that we prepare some notes which might be of some assistance in the drafting of your cable and we are glad to take advantage of the opportunity which you have kindly given us, and beg to set forth the following suggestions:

The suggestions are in quotations as follows:

"At the annual meeting of the Canadian Manufacturers' Association in Winnipeg, May 29, 30 and 31, manufacturers from all parts of Canada expressed themselves very strongly in

favour of mobilizing immediately the intelligence, skill, equipment and capacity of Canadian industry. They offered every possible co-operation to the Canadian, British and French governments in this terrible emergency. They expressed surprise and disappointment that, following the visit of their mission to England last summer and the presentation of Canadian industrial capacity, which was so well received in England, and the prompt appointment of a British mission to Canada, Canadian industry is being used so little up to date.

"To-day, a representative group of leading Canadian manufacturers met the Prime Minister and eleven other members of the cabinet in Ottawa and had a very helpful conference.

"Will you kindly discuss with the British government the following points which were made by the representatives of the Canadian Manufacturers' Association to-day:

1. Canadian manufacturers made war supplies to the value of $1,200,000,000 for the Imperial Munitions Board during the last war. This fact proves the capacity of Canadian industry. Canadian industrial expansion since then has made possible vastly increased manufacturing facilities, and a wider range of products, involving greatly improved technique. Full particulars were presented to the service departments of the British government by the association's mission to England last summer. This is in your possession.

2. Canadian industry again extends every possible cooperation to the British, French and Canadian governments.

3. There is available in Canada a great amount of industrial capacity, especially in the engineering, machinery and metal working trades with highly skilled technical staffs. Over a year ago, a survey of one hundred plants showed that these had available 3,000,000 square feet of floor space. Very little of this is in use now.

4. There is a great deal of machinery, equipment and tools used in peace time manufacturing, that can be adapted quickly to war manufacturing with good results in a general mobilization of industrial resources.

5. The time for placing small experimental orders is past. The British and French governments should advise immediately what they want in large quantities, and give Canadian manufacturers an opportunity to learn what is expected of them. On receipt of this information Canadian manufacturers will make their plans accordingly so as to use their plants to the best advantage."

That is the end of the suggestions which appear in quotations. The letter continues:

Permit me to assure you that the members of the delegation who met you to-day keenly appreciate your kind offer to cable Mr. Massey asking him to take up our suggestions with the British government.

Thanking you on their behalf, I remain,

Yours faithfully,

(Sgd.) Harold Crabtree,
President,
Canadian Manufacturers' Association.

Then my telegram to Mr. Massey continues as follows:

The government continue to be of the opinion that Canadian plants might be utilized to a far greater extent as a source of supply for the allied governments, relatively free from the danger of hostile action, and you are accordingly directed to bring this matter once more to the attention of the appropriate authorities in the United Kingdom, setting out in particular the representations of the Canadian Manufacturers' Association as quoted in paragraph five of this telegram. I shall be obliged if in so doing you will inform the government of the United Kingdom and the heads of the departments concerned that our government concur in the views expressed by the association and repeat the assurance of our willingness and readiness to do everything possible to assist in the development of increased production in this country to meet essential war needs.

MUNITIONS AND SUPPLY

REPORTED CONSTRUCTION OF TWO MUNITIONS PLANTS IN CANADA BY CANADIAN, FRENCH AND BRITISH GOVERNMENTS

On the order for motions:

Mr. M. J. COLDWELL (Rosetown-Biggar): Will the Prime Minister (Mr. Mackenzie King) permit a question arising out of the statement he made a few moments ago? Last evening it was announced in London that the Canadian, French and British governments were cooperating to construct two plants in Canada for the manufacture of munitions, the cost to be some £4,000,000. Would the Prime Minister inform the house whether or not that is correct?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I was going to ask my colleague the Minister of Munitions and Supply to reply to that question. As a matter of fact I think he has already made a statement in the matter.

Mr. HANSON (York-Sunbury): Yes, he did.

Mr. HOWE: The statement is correct. I think that is true; I did make a statement upon it.

NATIONAL DEFENCE

APPLICATION OF DEFENCE OF CANADA REGULATIONS TO PERSONS OF GERMAN OR ITALIAN RACIAL ORIGIN

On the order for motions:

Right Hon. ERNEST LAPOINTE (Minister of Justice): I desire to lay on the table of the house an order in council approved yesterday which applies the dispositions of the defence of Canada regulations concerning the registration of alien enemies and the prohibition against the possession or use of firearms to all persons of German or Italian racial origin who have become naturalized British subjects since September 1, 1929; that is, within the last ten years prior to the outbreak of the war.

These will have to register and are forbidden to use firearms. In the same order in council authority is taken to photograph and fingerprint all persons who are detained under section 21 of the regulations or who are in lawful custody charged with or convicted of any offence against the regulations.

APPOINTMENT OF COMMITEE TO CONSIDER AND REVIEW DEFENCE OF CANADA REGULATIONS

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

Whereas, under the War Measures Act, chapter 206 of the Revised Statutes of Canada, 1927, it is provided that the governor in council may do and authorize such acts and things and may make from time to time such orders and regulations as he may, by reason of the existence of real or apprehended war, invasion, or insurrection, deem necessary or advisable for the security, defence, peace, order and welfare of Canada;

And whereas, in view of the existence of a state of apprehended war, a proclamation, under the said War Measures Act was issued on September 1, 1939, and measures for the defence of Canada have been taken thereunder;

And whereas, on September 3, 1939, P.C. 2483 was passed under authority of the said War Measures Act, being the Defence of Canada Regulations, numbered 1 to 64 inclusive;

And whereas, since that date several orders in council have been passed, amending, altering or adding to the said regulations;

And whereas, the sole reason for the authorizing of such regulations and amending regulations was that the public interest and the security of the nation required the making of regulations with respect to such matters as internal security and the prevention of sabotage, the treatment of aliens, the control of means of communications, the safeguarding of information likely to be useful to the enemy, the control of trade, shipping, civil aviation, transport and other activities;

And whereas, it is deemed advisable that a committee of the house consider the said regulations as amended to ascertain whether such regulations reasonably meet the requirements of the country in time of war;

Therefore be it resolved, That a select committee of this house consisting of the following members: Messieurs Bertrand (Laurier), Brooks, Claxton, Coldwell, Diefenbaker, Dupuis, Factor, Green, Ilsley, Marshall, Maybank, McKinnon (Kenora-Rainy River), Ross (Calgary East), Slaght, and Turgeon be appointed to consider and review the aforementioned regulations; with power to send for persons, papers and records; to examine witnesses under oath and to report their opinions and observations from time to time to the house.

He said: Mr. Speaker, hon. members of the house are already aware of the purpose of this motion, namely that of establishing a select committee of the house to review various enactments in the nature of defence of Canada regulations which have been made.

May I at the outset say a word respecting the regulations themselves. At the beginning of the special session of parliament held in September of last year the government tabled in the form of a red book the Defence of Canada Regulations which had been enacted prior to the reassembling of parliament. That volume contains a very full statement as to how the regulations came to be enacted. May I at this time say a word to bring to mind the essential features and circumstances in connection therewith?

First of all I would draw to the attention of the house the fact that the committee which had to do with the drafting of the regulations was established under order in council of March 14, 1938; that was as long ago as two years and three months. The committee was established some months prior to the conference which took place at Munich. It was a standing interdepartmental committee on emergency legislation, and was appointed under the authority of a minute of council dated March 14, 1938. I believe that fact of itself will show that quite some time ago the government had very much in mind a possible emergency which might arise, and was taking early action to anticipate one of the first matters which in that event would require consideration, namely internal security and related subjects, so that regulations essential to these ends could be put into force immediately, should the emergency arise.

The committee was composed of leading members of different departments of the public service. It was under the chairmanship of Mr. C. P. Plaxton, K.C. of the Department of Justice. Mr. J. F. MacNeill, K.C. of the same department was its secretary.

The terms of reference were:

To inquire into and report upon the whole question of legislation required in the event of war, or emergency real or apprehended.

The terms were expressly set out in the following general instruction set forth at the outset of the above-mentioned minute of council, namely:

That it is expedient in the public interest to institute standing interdepartmental committees to inquire into and report upon the practical problems concerning Canada which might arise in time of war or emergency, real or apprehended, and the measures to be taken in the event of a decision being duly reached at the time that war or emergency measures be taken on behalf of Canada.

As hon. members are aware, the War Measures Act was already on the statutes, and when the war began action was immediately taken under that act to have the various regulations for the defence of Canada duly enforced. The regulations themselves are set out in full in the report.

I wish to quote only this one further passage from the report itself, namely the recommendation of the committee to the government made in July, 1939, just two months before the war. It is as follows:

To facilitate reference we submit a summary of our recommendations as follows:

(a) that the government be invited to approve in principle the draft Defence of Canada Regulations submitted herewith.

(b) that the government approve that the said regulations be immediately printed and distributed to such officers in the government service as will be required to administer them in case of need.

The foregoing recommendations were immediately approved by the cabinet.

Following this summary there is printed in the book containing the Defence of Canada Regulations a copy of the order in council under which the various regulations were put in force. That order in council is dated September 3, 1939.

Hon. members will have noticed that in the motion as I placed it originally on the order paper there appeared the following:

And whereas, further, a certain measure of criticism has been directed towards some of the aforementioned regulations as alleged to constitute undue and unnecessary interference with the liberty of the subject;

And whereas it is deemed advisable that parliament consider the matter; therefore be it resolved, that a select committee of this house—

And so on. The point to which I wish to draw attention is that up to the day of the meeting of parliament the criticism which had been directed against the government respecting the regulations was that they were too severe, that they went too far, and that they tended to deprive citizens of liberties in directions beyond which it was thought the government should deprive them. It was for that reason, knowing the situation as the government knew it, that we felt it would be advisable to have these regulations referred to a committee of the house, so that the members of the committee, after careful examination of the regulations, and after learning of conditions, as they would learn of them in committee, might see for themselves whether or not the regulations went too far.

The house had been in session only a short time when criticism began to be directed at us from an entirely opposite direction, not only from outside the house but also from some hon. members in the house. The government was being criticized on the score that the regulations did not go far enough. It was urged that they should be made more severe and to apply more widely, and that more action should be taken under them.

In view of that change in the criticism offered, I altered the motion as originally presented to the house, with the result that in part it now reads as follows:

And whereas, it is deemed advisable that a committee of the house consider the said regulations as amended to ascertain whether such regulations reasonably meet the requirements of the country in time of war.

In other words, I have broadened the motion so that the committee will have power to examine its subject matter from all sides, make its observations thereon and from time to time express its opinions respecting the same as it may wish, in regard both to the aspect of the rigidity and severity of the regulations and the other aspect of the necessity in some particulars to make them more rigid and extensive than they already are.

May I point out that the criticism of the government taking place in Canada, from these two points of view, is paralleled almost identically by what took place in the United Kingdom itself. In the United Kingdom, when the war broke out, it was necessary to provide regulations for the defence of the realm, just as it has been here for the defence of Canada. The criticism that was made of the government in Great Britain shortly after the regulations had been put in force was that they went much too far. If hon. members are interested in reading the nature of the criticism, they will find in the parliamentary debates of the British House of Commons, the official report for Tuesday, October 31, 1939, that the government had been very severely criticized for the rigidity of the regulations, and was obliged to agree to the regulations being referred to a committee for careful study and report. However, with the change in feeling that the treachery and other activities of the fifth column in the different countries aroused when Denmark was overrun and Norway was attacked, and later when Belgium and Holland were attacked, the whole tone and trend of public criticism were completely altered, and the government from that time on began, indeed, was compelled, to enact measures infinitely more drastic than anything that had been contemplated by the original defence of the realm regulations.

I submit, Mr. Speaker, that this illustrates something that we would do well to keep in mind at all times. As I said the other day, there are times and seasons for all things. Some things can be done at one time which cannot with propriety or wisdom be done at another, some things, if done at one particular time, which if done at another might serve a useful purpose, may create a situation worse than the situation which they are intended to remedy. The government has always been

careful to watch public opinion in that respect in order to see, not that it may satisfy one extreme or the other, but that as nearly as possible its course may be a sane and reasonable one and one likely to appeal to the country generally.

I may say with respect to the scope and the rigidity or severity of the regulations as enacted at the outset, that so far as the government is concerned we fully anticipated that the minute war started it would take a much more violent form than it did. In other words, our view was, so far as we had been able to formulate it from sources across the sea, that in all probability there would be an immediate attempt to attack the British isles in particular by air, that there would be a beginning of such violence that much would be occasioned in the way of concern for internal security as well as for external defence. The situation turned out to be quite different. As a matter of fact, the condition, so far from being of the active intensity anticipated, was what might be described as almost static for many months. Most of the actual fighting was outside the British isles, being largely at sea or in the air over the sea rather than over the land. Because of that particular strategy on the part of the enemy the necessity for the regulations that had been passed for purposes of internal security did not make itself as manifest as would otherwise have been the case. There grew up as a consequence this criticism against the severity of the regulations.

In Canada criticism was expressed pretty generally in different parts of the dominion. While our recent political campaign was in progress, communications were addressed to leaders of the different parties and groups in the house asking what their respective attitudes would be toward these regulations if they were returned to power. I should like in this connection to read a communication which was sent to me by the Civil Liberties association of Toronto, as well as my reply. The Civil Liberties association is a responsible organization. Its president is Mr. B. K. Sandwell. Its membership comprises persons in positions of authority in different parts of Ontario. The association has since published the communications they sent to the leaders of the political parties, also the views of its members on democracy in war time, and particularly on the defence of Canada and censorship regulations. These have been put together in the form of a printed memorandum which I understand has been sent to all members of the house. The introduction to this memorandum is signed by Mr. B. K. Sandwell, president, and reads:

A few weeks before the general election a group of Toronto citizens addressed a letter to the leaders of the political parties in Canada, asking for some public assurance that they would undertake to have the defence of Canada and censorship regulations submitted to a systematic revision by a parliamentary committee as soon as possible.

The citizens group was greatly encouraged by the response of the party leaders and particularly by the warm assurance of the Prime Minister, the Right Honourable W. L. Mackenzie King, that it was his intention to submit the regulations to such a committee as soon as a new parliament was summoned.

The Civil Liberties Association was formed by the group; a further study of the regulations was made, and specific objections to particular sections of the regulations were noted in the hope that, when the parliamentary committee proposed by the Prime Minister was formed, it might find such a specific record helpful in its work of revision. The news of the calling of parliament prompts the Civil Liberties Association to offer this record now.

Signed for the council,

B. K. Sandwell

President.

As I have indicated, that memorandum was prepared in the month of May. The letter sent to me during the general elections was dated February 5. It read as follows:

The Right Honourable W. L. M. King,
Prime Minister of Canada,
House of Commons,
Ottawa, Ontario.

Dear Prime Minister:—

In war, the duty of government is to be vigilant to suppress sabotage and other forms of assistance to the enemy.

For this purpose emergency powers are necessary and regulations are passed which must incidentally interfere with the traditional liberties of democracy.

But this interference should not be more than is needed for the efficient prosecution of the war. Thus regulations should not, by vagueness of expression and unwise application, become a means to the unnecessary curtailment of democratic rights.

This has been most clearly recognized in Great Britain, where freedom of expression has been substantially retained. When emergency regulations came before the British parliament, they were criticized from all sides of the house and were submitted by the government for revision to a committee of all parties. As reenacted, they carefully define the powers and offences involved so as to safeguard personal freedom and freedom of expression.

We believe that Canada should follow the British example.

Defence of Canada and censorship regulations have been passed in Canada under the War Measures Act but have not been submitted for parliamentary revision.

The regulations, if applied without moderation and good sense, will cause bitterness and divisions which would impair the prosecution of the war and reconstruction thereafter.

Furthermore, the good will of the United States and its citizens towards the British empire as a whole may be prejudiced if it

appears that the totalitarianism we are combating in Europe is making inroads in Canada.

We therefore respectfully urge that you, as the leader of one of Canada's political parties, should publicly undertake that, upon election, you will take steps to have all defence of Canada and censorship regulations submitted for systematic revision to a committee of parliament as soon as possible.

Respectfully submitted on behalf of a group of Toronto citizens, a list of whose names I have the honour to enclose.

William C. Grant,
Secretary.

To this communication I replied on February 8, 1940, as follows:

Dear Mr. Grant:—

I wish to acknowledge your letter of February the 5th, with which you enclose a letter of the same date, addressed to me, over your own signature, on behalf of a group of Toronto citizens, regarding the defence of Canada and censorship regulations.

May I say at once that my colleagues and I fully appreciate the great importance of safeguarding the traditional liberties of democracy under war time conditions. I wish to assure you, and the members of the group associated with you, that so long as this administration holds office, every precaution will be taken to ensure that the greatest degree of freedom, consonant with our belligerent status, will be preserved.

With reference to your suggestion that the defence of Canada and censorship regulations be submitted to a committee of parliament, I may say that it has always been the intention of the government that these regulations, indeed all legislation enacted under the War Measures Act, should be subject to study and consideration by a committee of parliament, and I may assure you that if our administration is returned to office it is our intention that this procedure be followed, when a new parliament is summoned.

W. L. Mackenzie King.

It was in compliance with the undertaking given at that time that the motion which appeared on the order paper the first day of this session was placed there. It might be well if when this committee, which no doubt will be appointed by the house, meets, I should be permitted to refer this memorandum to it in its entirety so that the committee may have before it all that the memorandum sets forth. I thought once of suggesting that the whole of the memorandum might be placed on *Hansard,* but it is rather lengthy and if the committee have the memorandum before them that would probably serve the purpose equally well. I might, however, place on *Hansard* the names of the members of the Civil Liberties association of Toronto so that hon. members may see the representative character of this particular body.

Mr. HANSON (York-Sunbury): Before the Prime Minister leaves that part of his statement, would he say whether consideration has been given to laying before the committee, if, as and when it is appointed, the representations that have been made on this subject by other bodies in Canada, equally responsible, equally reputable, together with the names of the gentlemen sponsoring those representations? I have in mind some that I myself have received, and no doubt the Minister of Justice (Mr. Lapointe) has been flooded with them. It does seem to me that if one association is to be singled out for the submission of its representations to the committee, it ought to be possible and would be proper that the representations of all responsible bodies should be submitted to the committee.

Mr. MACKENZIE KING: Yes, I entirely agree with what my hon. friend has just suggested. In fact, I was going to suggest that very course myself. I was reading this particular memorandum because it was one that I thought was more representative in the character of its personnel than perhaps any other I had received excepting a memorandum which came from a number of gentlemen in the city of Winnipeg, and which I was also going to place with this one.

I have in my hand at the moment no end of communications which have come from different indivduals and different bodies with respect to the defence of Canada regulations. I shall be happy to see that all communications that have been received by me on this subject are turned over to the committee regardless of the particular views they may be advocating. I think the committee would wish to have them, and certainly the government would wish the committee to have these communications before them.

I desired to submit the two in particular which I have referred to because the one contains the letters which were sent to the leaders of all political parties during the campaign and was largely referred to throughout the campaign. The other is a memorandum on "Canadian Freedom in War-time" which has been submitted by Professor W. J. Waines of Winnipeg and is a carefully reasoned statement of the whole situation. It contains the names of so many persons whose standing will be immediately recognized both in their own community and in the country that I thought it desirable to refer to it particularly in speaking to the house on the subject.

On the opposite side, the submissions are to the effect that the government has not gone far enough. These, as I have said, are almost entirely communications which have come in since the early part of May, when the war took a different turn. They also will be submitted to the committee. Since receiving a number of communications of that character

the swing is now beginning to return in the old direction. My office is beginning to get a large number of letters to the effect that the writers believe, if not our government, at least some other governments or authorities are in danger of going much too far again. For example, I received on the 5th of this month the following communication from the National Council of the Young Women's Christian Association of the Dominion of Canada, signed by Mrs. Harvey Agnew, president. It is as follows:

Right Hon. W. L. Mackenzie King,
Ottawa, Ontario.

Dear Sir:

At the 16th National Convention of the Y.W.C.A. held at McMaster University, Hamilton, May 27th-June 1st, the following resolution was passed, and on the authorization of the convention I am forwarding it to you:

"Whereas we deplore the growing tendency of some groups and organizations throughout the country to become self-appointed authorities to protect the people against espionage and sabotage; and

Whereas such action destroys the very basis of liberty and democracy, becomes a substitute for lawful government, creates panic and suspicion and opens the way to dangerous action motivated by private prejudice;

Through the National Council of the Y.W.C.A., we do urge the government to curtail such activity and reserve to itself the sole right to protect the people."

I imagine it would not be possible to give to the house reasons which would more amply substantiate what is proposed by the resolution, namely, the desirability of appointing a committee of this house to consider the whole question impartially, than the communications which I have just read, and which disclose the different trends of opinion as they swing back and forth with the changes of fortune in the war.

There have also been publications of which the house is no doubt aware put forth by the Canadian Association for Adult Education, dealing with this question. I have in mind the first issue, "This Freedom—A Guide to Good Citizenship in Time of War," by R. S. Lambert, published by the Canadian Association for Adult Education. I mention it because I think it is another publication that ought to go before the committee which may be investigating this subject.

May I say just this one word in conclusion. It is the purpose which the government had in its regulations at the outset, and is the purpose which the committee, if appointed, should, I think, have in mind in connection with its inquiry. Regulations must be broad enough and stringent enough to ensure internal order and to maintain efficiency of the war effort; they must not impose any unnecessary restrictions on personal opinion and freedom of opinion. Freedom must be restricted wherever restriction is essential to winning the war; but we must remember that we are fighting to preserve freedom, not to suppress it.

I have no doubt that the committee will view its duties from the point of view which I have just presented.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, the subject matter of this notice of motion is one of very considerable importance. It involves among other things the question of the safety of the state in war time, and as such should in my view be approached in a judicial manner and not otherwise.

With respect to the subject matter itself, may I say that during the last war Canada put into effect under the War Measures Act regulations which had the force and effect of law. These regulations were in operation during the period of the war, and automatically died, I understand, within a limited period after its conclusion. The regulations which have been adopted under the authority of that measure prepared by the departmental committee, to which the Prime Minister (Mr. Mackenzie King) has referred, are of course absolutely necessary under the conditions which have existed since the outbreak of the war.

There will always be a difference of opinion on this question of the liberty of the subject. We did not gain very easily or very lightly our liberty under the British constitutional system. A great price was paid, and of course in ordinary times that liberty is a priceless treasure to each citizen. But ever since I became a student of law I have been amazed at, shall I say, the extent to which legislatures from time to time have encroached on the liberty of the subject. More particularly has this been true of provincial legislatures which under our constitution are charged with jurisdiction over property and civil rights. They, if I may use the term, have been the greatest sinners. But this parliament has not been free from blame. Those of you who lived in communities which adopted the Canada Temperance Act, a statute which was enacted before I was born, and which was adopted, by the municipality in which I lived, more than fifty years ago and remained in force until comparatively recently, will recall that, either at the time of its enactment or shortly afterwards, this parliament made a long step towards encroaching upon the liberty of the subject when it took away from the courts of our country the right to the writ of certiorari to review convictions under that statute. This was an important step to take in peace time, but it seemed to be necessary having regard to the construction put upon the statute by

courts of appeal and otherwise in our provincial courts. The effect was, of course, that a conviction for a violation of that statute could not be reviewed. Such was the intention of parliament; and if a prosecution took place before a prejudiced police magistrate the effect in many cases was that great injustice was done to the subject. Our courts in New Brunswick got round that provision of the statute by asserting that if a question of jurisdiction was involved they would look into the case, and do justice accordingly; and as a result a large measure of the injustice which would accrue to the individual subject under that statute was taken away.

This example has been followed on many occasions, particularly by our provincial legislatures. I have no intention of following up its history, but anyone interested in research of the kind who will observe what various provincial legislatures did in days gone by with respect to the prohibitory laws of this country, will be shocked at the extent to which the liberty of the subject has been interfered with by our law-makers.

These things happened in time of peace. If those interferences with the liberty of the subject were justified in peace time, how much more are we justified in war time in preserving the safety of the state. I have purposely not referred to the padlock law which was once passed by the neighbouring province of Quebec, because I understand that that is a matter of great controversy. At the moment I am simply interested in knowing whether that law is still in effect.

Coming to the particular question of the defence of Canada regulations, the principle under which, I apprehend, these regulations are passed is the safety of the state in war time. No more important question could occupy our attention at this moment than these very regulations. I wonder whether hon. gentlemen are aware of the extent of the danger to which we in Canada may be subject because of the presence in our midst of persons of German and Italian origin and nationality. I do not intend here to-day to create any strife with respect to assertions against the loyalty and good faith of many of these people who have settled in our midst. Fortunately or unfortunately we in eastern Canada have not many people of German origin living in our communities. But heretofore those who have lived among us have been peaceful and law-abiding citizens. I am bound in truth to say that. I am not so sure that that is the case in other parts of Canada. I wish to lay before the house a few figures which I have gleaned in the last day or two with respect to the magnitude of the problem, having regard to the number of people of these two nationalities who are now living in Canada.

If you will refer to the reports of the bureau of statistics you will find that, according to the census of 1921, there were 294,635 persons of German origin in Canada; that in 1931 this number had increased to 473,544, an addition of 178,909, or over sixty per cent in ten years. Of this number, 174,000-odd were in the province of Ontario, and over 241,000, that is more than fifty per cent of the whole number in Canada, were residents of the three prairie provinces. Now, we have not had a national census for nine years, but according to the laws of this country a census of the three prairie provinces is taken every five years, and the last census of those provinces was made in 1936. In that year on June 1, according to the Canada Year Book for 1938, the total population of those three provinces was 2,415,000, and of this total, persons of German origin constituted 12·8 per cent. This means that in June, 1936, there were in the three prairie provinces 309,000 persons of German origin, an increase of 67,000 in five years. The figures for the four years ended June 1, 1940, are not available; but on the same basis of growth as is shown from 1921 to 1931, there are now in Canada approximately 728,000 persons of German origin. That figure may be excessive, but it is founded upon a calculation of the number who are now here, based on the figures of 1921, 1931 and 1936, and of the percentage of growth, and I believe it is accurate. In the three western provinces there would appear to be an approximate total of 475,000 persons of German origin.

With regard to the number of persons of Italian origin in Canada, according to the census of 1921 there were 66,769; in 1931 there were 98,173, a growth of over 31,000, or approximately forty-seven per cent. On the same basis of increase there would be in Canada to-day nearly 140,000 persons of Italian origin. When you add that to the total of persons of German origin you can readily understand that the number of persons of these two national origins approximate one million souls. I mention these figures to give the house and the country some idea of the magnitude of the problem.

I would point out in the second place that the immigration figures of the last few years show that more Germans have been admitted as immigrants to Canada than Scottish, Irish and Welsh settlers put together, and this has taken place while Germany has been intensifying its grip in central Europe. I must confess that this whole situation has caused me personally sufficient alarm to cause me

to accentuate it before the house and the country when nazi policy and nazi tactics are being considered.

Just how many of those Germans who came to Canada in the last six or seven years formed part of Hitler's campaign of peaceful penetration, to strike "for the fatherland" when the hour should come, may be a matter of conjecture, but Herr Hitler is on record in regard to this whole movement overseas. One Hermann Rauschning, a former president of the senate of Danzig, in his sensational book, "Hitler Speaks," recently published, tells of an address delivered by Hitler to a conference of nazi leaders from overseas countries as long ago as 1934 in which he is reported to have made the statement I am about to quote. I am going to take the liberty of reading this statement to the house because it contains, I believe, the heart and meat of the nazi policy with respect to penetration overseas for the good "of the fatherland." This is what Hitler is reported to have stated on that occasion:

As the front line of our German fighting movement—

"The front line of their fighting movement."

—you will make it possible for us to complete the occupation of our positions and open fire. You are the army's outposts. You will have to prepare definite enterprises for an advance of the front. You will have to mask our own preparations for attack. To-day you are perhaps the most important section of the German nation.

That is impressive language; and as to the principle which these overseas nazi agents were to adopt Hitler offered the following:

It is a good idea to have at least two German societies in every country. One of them can always call attention to its loyalty to the country in question and will have the function of fostering social and economic action. The other one will be radical and revolutionary. It will have to be prepared to be frequently repudiated by myself and other German authorities.

That is nazi technique.

I want to make it clear, too, that I make no distinction between German nationals and Germans by birth who are citizens of a foreign country.

That is a very important element in this technique.

Superficially we shall have to make allowances for such citizenship, but it will be our special task to train all Germans without distinction unconditionally to place their loyalty to Germandom before their loyalty to the foreign state.

That of course is an assertion that we in Canada will absolutely repudiate.

Only in this way will you be able to fulfil the difficult tasks I shall give you. I must leave to your discretion the means by which you train your fellow Germans to this new discipline. It will not always be possible without friction. For me success is the only criterion. It will depend on you gentlemen whether we reach our goal with comparative ease and without bloodshed. You must prepare the ground.

That is the basis of German penetration overseas under Herr Hitler, and I have made these statements and read this excerpt from the book in question as a report of Hitler's statement on the occasion to which I have referred, so that the Canadian people and the membership of this house may understand just what this German penetration means.

I come now to a consideration of the regulations themselves. The Prime Minister has correctly stated that a departmental committee was set up as long ago as March, 1938, and among the names are some of our best civil servants. The report was made in July, 1939. I do not recall that the Prime Minister read part of the report on page 6, but I do desire to call the attention of the house and of the country to the fact that the committee, in making their recommendations, had in mind that there must be of necessity under changing conditions modifications of the regulations from time to time. That is to be expected. The evolution in public opinion, to which the Prime Minister has referred, is just another expression of the changing times and the changing conditions. I know that there has been some hysteria in the country and I know that there also has been a good deal of complacency with regard to this important matter. But because public opinion is in a state of flux is all the more reason why we who are charged with the responsibility of carrying on in this court of highest jurisdiction in Canada should at least keep our feet on the ground and see clearly and speak properly.

The committee made this recommendation with respect to modification of the regulations, and they invited attention to two general considerations:

(a) The defence of Canada regulations cannot be regarded as final.

With that statement we shall all be in agreement.

The defence plans of the departments are necessarily subject to modifications in the light of changing circumstances, and although the draft represents the present views of all the departments concerned, it is certain that as the situation changes it will become necessary from time to time to add new regulations and to modify the terms of some of those already included in the attached draft.

(b) It is, of course, possible that not all of these regulations would be required in the opening stages of a war. The aim of the committee has been to produce a comprehensive set of regulations from which, in an emergency, the government of the day could select those

required to meet the situation existing at that time. Other regulations could be introduced later as the situation developed.

That, I think, is a plain statement of fact with which we shall all more or less agree.

The thirteenth recommendation is with regard to the restriction and detention orders. I appreciate at once that all the controversy that has existed and that may exist centres around this regulation. The report states:

The committee unanimously recommend all regulations except No. 21.

That, of course, is the important regulation with respect to the restriction and detention orders. The sentence indicates that even in a departmental committee there will be differences of opinion; and if among these gentlemen who have studied the regulations, who are responsible for them and who no doubt have adopted many of the regulations passed from time to time in the United Kingdom, there is any difference of opinion, how much more would there be a difference of opinion among the public, and especially the uninformed public, of Canada?

I do not think the regulations from No. 1 to No. 21 call for any comment, but certainly No. 21 and the following regulations are of substantial importance. No. 21 is as follows:

21. (1) The Minister of Justice, if satisfied that with a view to preventing any particular person from acting in any manner prejudicial to the public safety or the safety of the state—

Those are the words upon which I predicate any statement I have to make—the safety of the state.

—it is necessary so to do, may, notwithstanding anything in these regulations, make an order:—

(a) prohibiting or restricting the possession or use by that person of any specified articles;

That would mean and include arms.

(b) imposing upon him such restrictions as may be specified in the order in respect of his employment or business. . . .

Then comes the next paragraph.

(c) directing that he be detained in such place, and under such conditions, as the Minister of Justice may from time to time determine;

and any person shall, while detained by virtue of an order made under this paragraph, be deemed to be in legal custody.

This is a plain statement which has great implications. It means the suspension of the writ of habeas corpus; and who is there among us to-day who will say that at this time the state should not have that right? That is my view. I am willing that the power of detention shall be vested in the competent authority represented to-day by this government, no matter what I may think of the government itself. Of necessity we must have power and authority which will take cognizance of what is occurring in this country and afford the necessary protection for the safety of the state. I do not think any of us should controvert or deny that statement to-day. As to the exercise of that power and authority there may of course be some controversy, but I am not one of those who would ask the Minister of Justice or this government to repeal section 21. I think that for the safety of the state in war-time such power must be vested in someone.

I know there has been a great deal of criticism with respect to the manner in which this power has been utilized in the past. We were told in answer to a question that there were some 16,000 alien enemies registered under these reglations but that there were less than 300 internments. There is a substantial disparity between the two figures. From the reports received by the minister from the Royal Canadian Mounted Police there may be good and sufficient reasons why there have not been more internments of enemy aliens in Canada; I do not know very much about the situation, having lived all my life remote and apart from places where people of German origin are located. But having regard to the influx of people into this country since the beginning of the nazi regime; having regard to the nazi theories with regard to the penetration of foreign countries; above everything else having regard to what we have witnessed on the continent of Europe, in Norway, in Denmark, in the Netherlands and even in Belgium itself, I am astonished that not more than 261 Germans are interned in Canada at this date.

The only observation I have to make in that regard is this. The government is charged with the responsibility of administering these regulations and in the final analysis of determining who shall be detained and who shall be released. Some observations have been made in the country and in the public press, and I believe on May 27 last by the Minister of Justice (Mr. Lapointe) himself, with respect to attempted political interference. Well, I should like to say that as far as I am concerned my hands are clean. I have made no representations one way or the other. The only thing I have ever done since war broke out is something which I think is the duty of every member of this house and every law-abiding citizen in Canada. If he hears of any person of German origin talking he should report the matter to the Royal Canadian Mounted Police and let the police make an investigation and sift out the facts. When we do that I think we have done our full duty. I do not conceive that I am a detective, or that any member of this house

is a detective. I do not conceive it to be my duty to persecute innocent persons or to carry on investigations of that kind. It is a task which must devolve upon the duly constituted guardians of the law.

I hesitate to express an opinion with respect to representations which may have been made to the Minister of Justice for the release of enemy aliens. I know the pressure that is brought from time to time on members of parliament to do things and to make representations to officers and members of the government which, if left absolutely to themselves, they would not do at all. Such is democracy at its worst. Sitting in this house in days gone by, in peace time, when measures were brought down or advocated on one side or the other, perhaps measures of vital importance, the thought has arisen in my mind, as I am sure it has in the minds of the best of us and the worst of us: How is this going to affect me in terms of votes? Well, this is far removed from that consideration, but one of the weaknesses of democracy is that we do measure things in terms of votes. In connection with this enterprise, at all events, let us rise above that consideration. Surely in respect to ourselves and to our nation we should rise above any thought of how a measure may affect us personally.

Therefore I say to the Minister of Justice that I would not repeal section 21. I would retain it. But I would also hope that in the exercise of these powers, he and his officers will bring to bear the very wisest thought they can command in the discharge of their duties. I know there are certain types of intelligentsia —we call them "pinks", on the street—who object to these regulations. In my own city there is a small university. I am not going to make any attack on the professors of our universities, but I have often thought that if they had a little more to do perhaps they would not give so much consideration to these abstract and academic questions, about which we continually hear from them. I am making no attack upon them; they represent a fine type of citizenship, but respecting some matters they have very advanced ideas, and that is true, I believe, of all university professors in Canada. I would say to them this afternoon: Be a little more practical; mix with the common people, and perhaps the pink colouring will shade into a more orthodox white. That is the message I would convey to our university friends in Canada.

Since this resolution has appeared on the order paper I have had representations from a gentleman connected with the university in my home town—the son of another professor, a very dear friend of mine. He has sent me a long thesis on "The Vigilantes and Democracy". I read with a good deal of interest what he has written, and I told him that if I were to advocate what he has laid down in black and white in his thesis I would lose my job as leader of the opposition. I am going to ask the committee to send for that young gentleman. He is educated, and he is entitled to be heard. He is a Rhodes scholar.

An hon. MEMBER: He is hopeless, then.

Mr. HANSON (York-Sunbury): No, he is not hopeless, but his views may be radical. I should hope that if he came up here, were heard by the committee and subjected to the rough and tumble of cross-examination—to which I hope he may be subjected when opportunity arises—perhaps he would have some of the radical ideas knocked out of him and become a practical man with a keener appreciation of conditions which exist in time of war. I confess that when I read some of the theses advanced by the so-called intelligentsia of our country I become very impatient —and that is the least objectionable term I could apply. Most of these gentlemen have never been up against the rough and tumble of practical life as Canadian citizens.

I suppose what I have just said with respect to college professors—or some college professors; I should make that limitation—applies with equal force to some of the preachers in this country. I am an adherent of the United Church in Canada.

Mr. THORSON: Maybe some of the lawyers, too.

Mr. HANSON (York-Sunbury): I have sometimes thought that if I could get the ear of the moderator of the general assembly I should like to tell him something. I may have that opportunity.

Mr. REID: But he might be just as bad.

Mr. HANSON (York-Sunbury): Probably he is not. If he is a man big enough to hold the responsible position of moderator of the United church in Canada I should hope he would be big enough to sense the responsibility of his position in relation to Canada and to Canadians at this critical juncture in our history.

Mr. LAPOINTE (Quebec East): Doctor Woodside certainly would.

Mr. HANSON (York-Sunbury): I would suggest to him that in his position he should, in my view, exercise such powers of discipline and moral suasion as he may possess with such of the ministers coming under his jurisdiction as have expressed opinions antagonistic to the spirit of the regulations in order that they

might moderate their views, or at any rate have it made clear that such antagonistic expressions as have fallen from the lips of a small minority may not be considered the views of either the moderator or the great majority of the clergymen coming under his jurisdiction.

From what I know of the moderator and of the great mass of the clergy of the United Church, I am certain that they are among the most loyal of our citizens.

Section 22 of the regulations provides for the setting up of one or more advisory committees consisting of persons named by the Minister of Justice, the chairman of any such committee to be a person who holds or has held high judicial office. I am asking the Minister of Justice for some information on that point, if he speaks in the debate—and I presume he will.

Mr. LAPOINTE (Quebec East): That has been repealed.

Mr. HANSON (York-Sunbury): I had not that information before me.

Mr. LAPOINTE (Quebec East): It was repealed some time ago. Instead of having an advisory committee composed of two civil servants and an outsider it will consist only of a judge who sits now on the bench or a former judge who has occupied or is occupying a high judicial position.

Mr. HANSON (York-Sunbury): In other words there is an advisory committee consisting of a high court judge?

Mr. LAPOINTE (Quebec East): Yes.

Mr. HANSON (York-Sunbury): Has an appointment been made to that position?

Mr. LAPOINTE (Quebec East): No.

Mr. HANSON (York-Sunbury): Not yet. Has it not been considered necessary to appoint such an advisory committee consisting of one person of high judicial standing? Has not an occasion arisen?

Mr. LAPOINTE (Quebec East): Since the making of the modification no single case has been submitted for review. Those who are there are staying there.

Mr. HANSON (York-Sunbury): In other words the Minister of Justice under the regulations is the final arbiter, and none of the provisions respecting appeal or anything of the kind have been brought into play?

Mr. LAPOINTE (Quebec East): Since some time. But the provision exists, of course.

Mr. HANSON (York-Sunbury): Then there is not much to be said respecting section 22.

I have nothing to say as to section 23, but I have some observations to make with regard to section 24. I shall discuss some of the sections because I am not a member of the committee and shall not have an opportunity to appear before them; with that in mind I now place my views on record.

Section 24 deals with the arrest, detention and internment of enemy aliens in Canada. It starts out with this declaration:

> All enemy aliens in Canada, so long as they peacefully pursue their ordinary avocations, shall be allowed to continue to enjoy the protection of the law and shall be accorded the respect and consideration due to peaceful and law abiding citizens, and they shall not be arrested, detained or interfered with, provided they comply with the requirements in respect of registration prescribed in the next following regulation, unless there is reasonable ground to believe that they are engaged in espionage, or are engaging or attempting to engage in acts of a hostile nature, or are giving or attempting to give information to the enemy, or unless they otherwise contravene any law, order in council or proclamation.

This brings me to a consideration of the question of subversive elements.

Mr. SLAGHT: I wonder if the hon. member would permit me to indicate to him that subsection 1 of section 24, which he has just read, has also been rescinded and a new regulation substituted therefor.

Mr. HANSON (York-Sunbury): That may be so; I did not know. I thought the regulations I have in my hand were up to date, but if the hon. member says the one I have read has been repealed and a new one substituted, I shall accept his word. I assume however that the principle of the regulation is the same; it may have been strengthened. I should like to give some consideration to the matter of subversive elements in this country. It is something which is causing a good deal of concern, and properly so, in certain parts of Canada.

In a speech which he delivered in Toronto on May 15 the attorney general of Ontario referred to this matter. He gave a definition of an enemy alien and dealt with the question of the disposition of enemy aliens by the Royal Canadian Mounted Police. My opinion is that the Royal Canadian Mounted Police should be greatly strengthened and be given practically the whole say, perhaps with certain reservations to which I shall allude later, as to who should or should not be interned. I do not see how it is possible for the Minister of Justice to sit here in Ottawa as final arbiter and act on the basis of written reports. The head of the mounted police in the province would have had before him the person

in question. He would have subjected him to cross-examination and observed his demeanour. He would thus be familiar with the history of the man and all the other ramifications of the case. I earnestly suggest to the minister that he over-rule the recommendation of the police only in cases of extreme injustice. As a Canadian citizen I am quite willing to leave this matter in the hands of the Royal Canadian Mounted Police. They should not be interfered with in the discharge of their duty.

I leave the matter there with respect to enemy aliens, but with respect to subversive elements, I should like to say a word. These elements were referred to by the attorney general of Ontario in his speech. Where an enemy alien is arrested under the defence of Canada regulations, that is the end of the matter. If he is interned, he is there; he is in legal custody and there is no trial. This may be considered an extreme provision, one which we would not tolerate in peace time; it means the suspension of the writ of habeas corpus and other processes. But it is for the safety of the state in war-time, and as law-abiding citizens we must be ready to submit to this sort of thing. This power of course should be exercised judicially. In the few brief words I uttered on this subject on May 20 I referred to what had existed in the United States during the war between the states. All any hon. member needs to do to follow up this matter is to read the history of the United States during that period. The whole nation was seething with treason and sedition against the north. The government was forced to take the most extraordinary steps. Persons were incarcerated in military fortresses in defiance of the writ of habeas corpus, all for the safety of the state and the union. It was one of the strangest incidents in the history of that struggle that a member of the cabinet who recommended that course of action, subsequently, upon being appointed chief justice of the United States, delivered a judgment to the effect that that action of the government was ultra vires. I cannot understand why he should have delivered judgment in a case to which he had been a party; but it is a matter of history.

These subversive elements create a situation which is most difficult to deal with. Under the defence of Canada regulations a man may be incarcerated without trial, but an entirely different situation prevails in respect of persons other than alien enemies who have to be dealt with. The enforcement of the law is left entirely to the provinces, which endeavour to enforce the regulations against subversive elements. These people have all the safeguards of any other accused person. They may be tried under summary conviction or on indictment. All of us who have had to do with practice in the courts know how difficult it is to obtain a conviction, say on a charge of conspiracy. If hon. members want any better evidence perhaps my hon. friends in the far corner from Alberta will tell them what has happened in that province in connection with charges of conspiracy in the tobacco business. In most cases it is almost impossible to get direct evidence of express statements and action on the part of an accused person. These things have to be spelled out of the evidence. I take it from the speech of the attorney general of Ontario that that province has had the greatest difficulty in obtaining convictions. Yet we all know that these things exist.

If I were to make a recommendation I would ask the minister to look into this angle of the case and if possible strengthen the law in order that we may deal effectively with this most difficult situation. There are subversive elements in this country just as there are rumour-mongers and alarmists who do considerable damage. Our people get alarmed, perhaps unduly, but quite often there is basis for their alarm. The responsibility rests upon those who are charged with the government of the country. The observation which I would make to the minister at this time is that he should give consideration to strengthening the provisions of the regulations which deal with this aspect of what is admittedly a difficult situation, with a view to making it easier to obtain convictions where convictions ought to be obtained.

For some considerable time I have not had much to do with the administration of criminal law. In my practice in connection with capital cases in years gone by I had what is perhaps a unique experience. I never lost the defence of a capital case, and I never was able to secure a conviction in any capital case in which I was the prosecutor. I have had connection with quite a number. I have no doubt that in most cases justice was done, but it has been my personal experience that except in an absolutely open-and-shut case it is almost impossible to obtain a conviction in this country. I have great respect for our jury system, but it slips at times. On one occasion when I was defending a man one of the members of the jury did not have the manhood to state in advance that he did not believe in capital punishment. Certainly he would not vote to convict a man, and this is an illustration of what I mean. I hope the minister will give consideration to this particularly difficult phase of the matter.

Section 26 provides for a tribunal and an appeal. I would ask the minister if there has been any exercise of the appeal functions under

this section. I understand that Mr. Justice Hyndman has been appointed to head the tribunal. That, I think, was a good appointment; he is an experienced jurist and a judge of high standing.

Mr. LAPOINTE (Quebec East): May I tell my hon. friend at once that this sort of appeal on the part of an enemy alien incarcerated was taken away by an amendment that was made some time ago. I found out that in no other belligerent country was any similar right to appeal given to an interned enemy, that Canada was more broadminded in that regard than any other country. An amendment was made and there is now no longer the right of appeal on the part of an alien enemy who has been incarcerated upon reports by the police and other officers. Of course the Minister of Justice always has his discretion; he could release any man who had been interned unfairly. But that is not an appeal.

Mr. HANSON (York-Sunbury): No. I am going to deal with that a little later. I am glad the minister has made it clear that appeals have been abolished, because I know that in England appeals are not allowed. The provisions of the regulations in England have been drastically enforced. I hold in my hand a copy of the London *Spectator* of May 17, 1940, a well-informed journal which I have read for a good many years. Its editorial, which I shall quote, contains a statement which I have not been able to verify through official channels but which I accept as correct. Under the heading "Enemy Aliens in Britain" it says:

> In view of the treachery from within which has played so sinister a part in all of the German invasions the safety of the country demands that no half-measures should be taken to guard against it here—

That is in England.

> —even if hardship is imposed on many innocent persons. The Home Secretary has ordered the internment of all male enemy aliens between the ages of sixteen and sixty in the eastern counties of England and Scotland (excluding London) and the channel counties to the east of Dorset. Male aliens of whatever nationality—

Male aliens of "whatever" nationality:

> —in the same areas must live under severe restrictions. This drastic treatment of foreigners the majority of whom are perfectly loyal to the allies is regrettable, but there is no alternative. It is promised that the measures will be mitigated when circumstances permit. Amongst these aliens it may be taken as certain that there are some who are in the employment of the nazis, awaiting the moment when a blow will be dealt and their prearranged services in the rear will be counted upon. This is a case when the innocent must suffer for the guilty, as they would, no doubt, themselves recognize. No chances can be taken when so much is at stake.

I do not suggest that that situation has a parallel here. However, it is only a difference of degree, and if I were to make any criticism of the minister's administration, judging merely by the question of numbers, I would say that he has been too lenient. There was a question on the order paper asking for the names and numbers of those released, and the reasons for release. I appreciate the fact that the reasons should not be divulged. The minister in speaking of the matter referred to the parallel of the release of convicted prisoners on parole. The parallel was a good one, but I do think we ought to know something more about the number who have been released. If there is any criticism of the minister, it would be that he has been altogether too lenient in this matter.

Section 26 (7) of the defence of Canada regulations—I understand that it has been repealed and an amended section substituted—provided:

> Nothing in this and the two preceding regulations shall prevent the Minister of Justice from ordering the release of any enemy alien from arrest, detention or internment, or from ordering the arrest, detention or internment of any enemy alien.

There must of course be authority in some body to carry on under these provisions, but I submit with great respect that this is altogether too much power to place in the hands of any one man, no matter how eminent or fairminded he may be. I would hope that in the exercise of that power the minister gathers about him a body of judicially minded men to advise him, and I have no doubt that that is exactly what he does do. But the language of the section, speaking baldly, puts too much power in the hands of any one man, and I suggest, not that the section be repealed, but that it be strengthened so that the minister will share with some advisory board of men of high judicial capacity the function of ordering arrest, detention or release, as the case may be, so that there can be no question at all of the exercise of a judicial discretion as distinguished from a ministerial discretion. I hope the minister will appreciate the distinction I am endeavouring to make.

Section 63(2) provides that where no specific penalty is provided every person convicted shall on summary conviction be liable to a fine not exceeding $500 or imprisonment for a term not exceeding twelve months, or to both fine and imprisonment; but any such person may, at the election of the Attorney General of Canada or of the province, be prosecuted upon indictment. The punishment then, of course, is very much more severe. The point I wish to make is this: The regulations provide for election only on the part

of the prosecution. These regulations are severe enough in most cases; why should persons other than those interned who are charged under these regulations and who have no right of recourse to the law, not be given the right of electing to be tried upon indictment? I think there is a tendency in the trial of criminal cases to take away from the accused the absolute right of election for trial by a jury—a right from which we should not lightly depart. I am putting the point to the minister as a query. There may be good reason why it should be this way, but I confess it is not clear to me why the attorney general, representing the prosecution, has the right of election to prosecute either by summary conviction or upon indictment, while the accused has no right of election. It seems to me to be a denial of a substantial right of justice.

I have no objection to the reference of this matter to a committee as proposed by the motion. I hope that a good committee has been set up, before whom the gentlemen who have made representations pro and con will have ample opportunity to appear and to justify the opinions which they hold. But in the final analysis the responsibility is the government's; it is for the safety of the state, and it must not be shirked.

Hon. T. A. CRERAR (Minister of Mines and Resources): It is not my intention to discuss the resolution, the importance of which is apparent to the whole house. But the leader of the opposition (Mr. Hanson) in the course of his remarks made reference to the number of Germans admitted to Canada during the past few years and, if I understood him aright, compared it quite unfavourably with the immigration from the United Kingdom.

Mr. HANSON (York-Sunbury): No, I did not say the United Kingdom. I said, Scottish, Irish and Welsh. I did not include English. I was careful not to, because the figures are the other way.

Mr. CRERAR: Several days ago an hon. member on the other side of the house put on the order paper a question the answer to which, if questions had been reached yesterday, would have appeared in *Hansard*. I wish to make a brief statement lest the remarks of my hon. friend in that regard might leave a wholly wrong impression in the country.

During the last three fiscal years the numbers of Germans born in Germany admitted to Canada were 1,240. Of these, 566 were of Jewish race who had in one manner or another escaped from Germany. I cannot at the moment give an analysis of the remainder, but it is within my own knowledge that a considerable percentage consists of non-Jewish Germans who had escaped from Germany to get away from nazi oppression.

Mr. THORSON: How many were Mennonites?

Mr. CRERAR: I cannot say how many were Mennonites, but I know that a substantial number are of other than the Jewish race and came here to escape nazi oppression. Among these I might mention Sudeten Germans, many of whom were born in Germany but were in the Sudeten area when Germany took it from Czechoslovakia, and who, to save their lives, fled without carrying anything with them. I do not believe there is any Canadian who would say that under such circumstances we should not have admitted them.

So far as immigration from other sources is concerned, I might repeat a few figures which I have jotted down. From England during the last three fiscal years we received 5,909 persons, as against 1,240 immigrants of German birth. From Scotland we received 2,014. I have not the figures for Ireland. From the United States we received 12,881.

While I am sure that my hon. friend had no such intention, it occurred to me that a wrong construction might be placed upon his remarks touching this matter. For that reason I have taken the opportunity, as my slight contribution to this debate, of placing upon *Hansard* these particular figures relating to immigration during the last three fiscal years.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I do not intend to discuss the regulations one by one. As I understand it, the purpose of the motion before the house is to refer the regulations to a committee where they may be revised if necessary and where representations can be made either for or against them.

I would say at the outset, however, that I think a great deal of the criticism of the defence of Canada regulations has arisen from the method of their proclamation. They were proclaimed about the time that parliament was in session, but owing to the situation which then arose few members of parliament had an opportunity of examining them and they were not discussed in this chamber. The method of introducing the regulations upon the outbreak of war gave rise, I believe, to a good deal of criticism.

We had no session of parliament from early in September until the present house met, except, of course the very short session on January 25, and consequently we did not have an opportunity such as was afforded to the

British parliament, of going into the regulations, of criticizing them, of establishing the committee and of making modifications similar to those which were made in Great Britain, and which in many particulars, in spite of a recent tightening-up process, still remain.

We of this group criticized the government in pre-war days because it did not deal with certain activities which we regarded as being against the interests of the state. We do not deny, indeed we readily admit, that the government in war time must have ample and adequate power to prevent sabotage, espionage and any subversive activity, provided always that a person so accused shall have an apportunity to have his case reviewed in the proper manner.

I said a few minutes ago that before war broke out, we criticized the government for not having taken action in the case of certain subversive activities. I have before me, for example, *Hansard* of June 29, 1938. On that occasion Mr. Grant MacNeil, who was then a member of this group and of this parliament, made this statement:

> Some time ago the minister indicated that it was the intention to investigate the complaints of espionage activities in Canada under the cloak of fascist organization. I have seen photostat copies of letters placed in the hands of agents of the Royal Canadian Mounted Police showing that operatives are active within Canadian borders and to some extent linked up with espionage activities recently exposed in the United States. There has been considerable evidence to show that an attempt has been made to smuggle small arms into Canada, and all this has been done under the cloak of fascist organization. Can the minister make a short statement?

Then Mr. Bennett intimated that he had received similar information. The Minister of Justice replied—I think I had better read the whole paragraph:

> Mr. Lapointe (Quebec East): In answer, first to the hon. member for Vancouver North (Mr. MacNeil), I may say the communications he has received have also been received by me and by the department, and inquiries have been made. This allegation that people in Montreal who call themselves fascists were drilling and having arms arose, first, through statements in the press from boastings on the part of so-called leaders, seekers after publicity more than anything else, that they had 25,000, 30,000 and, some were cheerful enough to say, 75,000 adherents. The number is much less than that. Well-intentioned people, even eminent gentlemen, by believing that sort of thing and giving expression to fear about it, are rather playing into the hands of those so-called fascist leaders who seek publicity. It is the same with the communists; they want publicity; if they do not get it they disappear. They live on it. We found that there was nothing as far as those allegations as to arms are concerned. Some of these people congregate in large numbers with all the paraphernalia, shirts—I do not know whether black or brown; it is foolish anyway—and make gestures and that sort of thing. They do, fifteen or twenty or twenty-five of them, what they call military exercises, just stand at attention and walk. There is nothing very dangerous about it, except that they make inflammatory speeches, denouncing many public men, particularly your humble servant. One of them said at a meeting that when they take office the first Jew that will be expelled from Canada will be Ernest Lapointe. But this does not prevent me from sleeping at night.

I have no doubt that the minister slept quite well.

Mr. LAPOINTE (Quebec-East): Apparently they are still saying that.

Mr. COLDWELL: Mr. MacNeil then went on:

> I am not attempting to exaggerate the importance of the fascist organization; but the situation took a different turn when a number of individuals were indicted during the grand jury sessions in the United States recently where, as I am informed, it was definitely shown that there was a relationship between those activities in the United States and similar activities in and around our important airports in Canada. I am asking the minister to exercise some restraint on organizations professing fascism, but which actually are commonly used as a cloak for espionage activities on the part of agents of foreign governments. May I ask if there has been some cooperation between the departments of Canada and the United States in this regard?
>
> Mr. Lapointe (Quebec East): Yes.
>
> Mr. MacNeil: So that these individuals may not cross the border and embarrass us with their activities?

The answer was in the affirmative.

The reason why I have called attention to this is that to-day we are becoming quite worried over these fifth column activities, but I would point out that fascist organizations in Canada have been active in the past few years and have not been interfered with to the extent that they ought to have been. Indeed, as I have shown, there was a disposition to minimize the danger. Let us always remember in discussing these matters that nazi and fascist organizations have been encouraged and have in many instances been financed by powerful economic and social groups in practically all the democratic countries. We must not allow the persecution of innocent people merely because they are discontented and poor. There is a very real danger that this may happen if we allow the law to be taken in hand by private organizations in our midst. Norway was betrayed by Quisling, and among the first arrested in Britain were a Tory member of parliament, a baronet, and the wife of a lieutenant-commander in the royal navy. It has been said and written that even powerful industrial and

financial groups with Canadian connections contributed financially to Hitler's rise in Germany. Perhaps I might mention one, Sir Henri Deterding, of the Shell Oil company, which has connections all through North America.

Mr. MARTIN: Is he a Canadian?

Mr. COLDWELL: No; he was a naturalized British subject, but he has large industrial connections in Canada. I mention only an established fact, not rumours concerning other organizations that have even closer Canadian connection. I say therefore that we should keep these facts in mind as the situation develops. Should what we regard as the impossible happen and the Germans succeed in inflicting a grave reverse upon the allied arms, I am convinced that there would be found in all these countries powerful interests who would not be averse to setting up some form of dictatorship even in such democratic countries if they could get away with it.

The duty of this parliament in referring these regulations to a committee is to see that they are carefully defined so as to safeguard against any arbitrary or capricious action. The leader of the opposition (Mr. Hanson) spoke particularly of section 21. I am not going to discuss this section except to say that there was a division of opinion on the part of the capable officials who drafted the regulations, and the analogous British regulation, No. 18, is not nearly so severe nor does it give such sweeping powers as the regulation to which I have just referred. When I heard the leader of the opposition suggest that greater power might be placed in the hands of police superintendents, I could not help thinking that such a policy was wrong, because in that event we should be building up in our own country something similar to the police systems which we despise, the systems that operate in certain European dictatorial countries. To my mind, power under these regulations ought to be exercised by the Minister of Justice (Mr. Lapointe) and by the department, and I would go so far as to say that they ought to be more directly under the minister's control than under that of any of the nine different attorneys general acting perhaps in nine different ways in the provinces. Such regulations as we approve ought to be impartially enforced. I am not going to accuse the minister of having been partial in the enforcement of the regulations. No one knowing the present Minister of Justice would believe that he had wittingly done anything of the sort. But there is an uneasy feeling, and there are rumours across the country to the effect that here and there political influence has been exercised. I do not know how it has been exercised or through what channels, but there is that uneasy feeling, and I think someone in this house ought to bring the matter up in order that the department may have an opportunity of clearing up the situation.

Mr. MACKENZIE KING: Will the hon. member mention a specific case?

Mr. COLDWELL: I will come to that in a moment if I may. The Montreal *Gazette* of Friday, May 31, in a report with reference to the Canadian Legion, makes the following statement:

> "We possess information which cannot have come to Mr. Lapointe's attention," President Alex Walker of the Canadian Legion said in a statement yesterday concerning Justice Minister Ernest Lapointe's repudiation of charges of political interference with the Royal Canadian Mounted Police, reported to have been made at the legion convention here.
>
> "We propose to seek an early opportunity to discuss the whole question with him," Mr. Walker stated, "and we are confident that he will understand the sincerity of our motives and our desire to be of service, and that under no circumstances would the legion be a party to any reflection whatsoever upon his personal or political integrity."

There we have a large and powerful organization, through one of its officers, stating that it has knowledge of interference of the type which is causing some uneasiness across the country. A few moments ago the Prime Minister (Mr. Mackenzie King) asked me if I had knowledge of a case. I have not the definite facts concerning the case, but a question was placed upon the order paper by the hon. member for North Battleford (Mrs. Nielsen), arising out of a well defined rumour which has been repeated many times in Saskatchewan; and since the Prime Minister asks me, I feel that I should mention this case in order that it might be looked into. I refer to the case of a man called Alois N. Schneider, of St. Walburg, Saskatchewan. Mr. Schneider is said by those who know him to be a pronounced and active nazi and a political supporter of the Liberal party. The allegation is made that almost immediately prior to the general election he was released and that he worked during the election, having thus been given an opportunity to do so. I say those are the statements that are being made; and since the Prime Minister asked me if I knew of any such statements, I am placing this matter before the government in order that it might be cleared up. Unfortunately, as I quite understand, the minister may not be able to give the full reasons for the arrest or release of many of these people. When the minister is bound to

state in the house that it is not in the public interest to give this information, it lends additional colour to stories of the sort I have just mentioned. As I once said before, there are matters connected with the war which would warrant this house meeting some day in a closed session in order that a great deal of the criticism, and perhaps some of the information which is not brought forward because it may not be wise to do so, might be discussed openly and freely with the government. That was why some little time ago I suggested that we might find it advisable to hold a closed session.

We are fighting a war against those who would destroy democracy; and during this period it seems to me we should endeavour to preserve in our own country the widest possible measure of democracy consistent with our public safety. The war must not be used as an excuse to take away any of the hard-won rights of the common people. Sections 27 and 62 of the present regulations as they now stand could be used to prevent a legitimate labour dispute or for the outlawing of an association of workers and producers. As a matter of fact, the British regulations have no section analogous to section 62. Such sections, if they are necessary, should be clarified and our fundamental rights should be safeguarded. That is one reason why I think it wise to refer these regulations to a committee rather than debate them paragraph by paragraph in this chamber. We submit that no person ought to be incarcerated without the right to know the offence with which he is charged and without being given an opportunity to plead his cause. That is a right deeply embedded in the Magna Charta and the Petition of Rights, and it is one that we should not allow to be set aside without a thorough parliamentary investigation. After all, we in this parliament are responsible for the preservation of these fundamental rights. I say the fundamental rights of British citizenship should not be taken away or modified without the consent of parliament; no executive should be empowered to take away any of these rights. In a war against fascist and nazi aggression we must beware lest these rights and liberties for which our fathers fought are taken away from us.

Now I should like to say a word with regard to protection against sabotage, espionage and so on. I suggest that if our forces are not at the present time sufficient to cope with these matters, the government should enlarge them by the appointment of special police or by some form of home-guard organization. If necessary, suitable returned men, or men unfit for any other service, could be enrolled in this corps. I do not like to see vigilante committees set up here and there, free of government control, who may take the law into their own hands. I have the greatest respect for those who want to prevent espionage and sabotage. Let us respect them properly by giving them the necessary authority and enrolling them under the direct auspices of this government, instead of allowing the private enforcement of order to be commenced in Canada. We never know how leadership may change. We have had some experience of people uniting with the very best intentions and ultimately being led into activities not in the public interest. So for this reason also I am glad to see these regulations referred to a committee, where they can be properly looked into.

In closing I should like to refer to one or two comments made by the leader of the opposition (Mr. Hanson). He said he thought it would do some of our university professors good to mix with the common people. As I listened to his remarks I thought it might do some of our politicians good to mix with some university people. Practical men like the Right Hon. Stanley Baldwin, Mr. Chamberlain and others have been in control of the British commonwealth for the last ten years, and see where we are to-day. Practical men, controlling practical affairs, have led the commonwealth and the world into the mess in which we find ourselves to-day. Now that we are in this mess, what do we find? We find the pinks, if you like to call them that, the radicals, the idealists, the intelligentsia, the men with vision, if you will, such as Clement Attlee, Arthur Greenwood—

Mr. REID: What about Ramsay MacDonald?

Mr. COLDWELL: Men like Herbert Morrison, Sir Stafford Cripps and others are called in to clean up the mess which these so-called practical-minded men created. An hon. member asks what about Ramsay MacDonald. Well, Ramsay MacDonald has been dead personally for a number of years, but politically and ideally he has been dead much longer.

Mr. HANSON (York-Sunbury): Oh, oh!

Mr. COLDWELL: Some one says, "Oh," but I want to say that the men to whom the British commonwealth has turned in its hour of need are the men who refused to follow Ramsay MacDonald into the National government which afflicted us until recent days. I should like to say also that we may be thankful that ministers of the United church, other ministers of the gospel, university professors and other people who are thinking for themselves are still allowed to think aloud

in Canada. If we are fighting for anything at all, we are fighting for the right to think freely and to speak freely, and those who would deny that right to the ministers of the United church or any other church, to our university professors and others, are simply advocating the very form of dictatorship which I thought we had organized to fight.

So I say I am glad to see these regulations being referred to a committee. As I said at the outset, we are anxious that sabotage be prevented. We are anxious that espionage be prevented. We are anxious that sedition of every sort be prevented during this time of war; but if we are to go forward and win a real victory, that real victory will be measured not only by the defeat of Germany and of Italy but by the extent to which we in our own land can preserve for future generations the democratic rights and liberties for which our fathers bled and died.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, as the Prime Minister (Mr. Mackenzie King) explained to the house this afternoon, this motion involved originally only the harshness of the defence of Canada regulations. Hon. members of the house will realize the truth of that statement if they read what I believe to be the key paragraph of the original notice of motion, which was in these words:

> And whereas, further, a certain measure of criticism has been directed towards some of the afore-mentioned regulations as alleged to constitute undue and unnecessary interference with the liberty of the subject;
> And whereas it is deemed advisable that parliament consider the matter. . . .

I could see no objection to that motion as it stood originally, namely, a motion referring the question of harshness or otherwise of regulations, to a committee made up of private members of the House of Commons, although the deliberations of such a committee would necessarily result in considerable delay in dealing with the questions involved. But now—now, under the amended notice of motion, the committee must cover a much wider field, as indicated by one paragraph of the motion as it now stands, reading as follows:

> And whereas it is deemed advisable that a committee of the house consider the said regulations as amended to ascertain whether such regulations reasonably meet the requirements of the country in time of war.

Mr. Speaker, let there be no mistake about it: This means that the committee will have the duty of recommending to the house what has to be done about the enemies in our midst, what has to be done about making Canada safe from the enemies within our gates. In other words, it is no longer a matter of the mere wording of the defence of Canada regulations; rather it is a matter of how we are to deal with our enemies on the home front. Clearly, may I say to the house, that is a question of government policy, and not one to be decided by a committee of private members.

The government have all the information; certainly they have far more information than a committee would have. Action should not be delayed by the government by referring the matter to a committee of the house. That involves weeks of deliberation; it means that the committee must act with only half the information on the subject; it means that the report of the committee will probably be hastily considered by parliament; it means that no government policy will be announced until after prorogation; it means that there will be no discussion in parliament after the government's policy has been decided upon; it means that there will be no direct way for public opinion in Canada to be brought to bear on the government.

I fear the committee will prove to be merely a stop-gap, and the subject is far too serious for such treatment.

Mr. LAPOINTE (Quebec East): Does not my hon. friend know that the government's policy is in the regulations, and from time to time it is altered? Even to-day I announced amendments which have been made. Others will be made. The purpose of the committee is simply to hear those who complain about the government's policy. But the policy is there.

Mr. HANSON (York-Sunbury): That is true enough, but—

Mr. GREEN: The government's policy may be there; the government may have a policy; but they have been very, very slow in acting in this matter.

Mr. LAPOINTE (Quebec East): Of course that is another matter.

Mr. GREEN: That is my complaint, and I repeat that this is not a matter to be referred to a committee. The Minister of Justice (Mr. Lapointe) brought down an order in council this afternoon. I say that the action taken in that order in council should have been taken weeks ago, not at this late date. And before I have finished my observations I think I shall have shown hon. members that what I say is correct.

Mr. LAPOINTE (Quebec East): Do I understand my hon. friend to say he does not want a committee? It would be very easy to meet him.

Mr. GREEN: I think if the Minister of Justice had been following me when I commenced my remarks, he would have noticed my statement that as the motion originally stood it was quite in order to have a committee consider the harshness of the defence of Canada regulations. Now I say, let the minister have a committee, if he wishes, and there is no doubt the government will force the matter to a committee anyway.

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

Some hon. MEMBERS: Oh, oh.

Mr. GREEN: Oh, just leave out the heckling, for a minute. But I say this, that the government should act in respect of this matter of making Canada safe within its own borders.

Mr. LAPOINTE (Quebec East): That is exactly what it has done.

Mr. GREEN: The Canadian people are far ahead of the government in their appreciation of the gravity of the activities of the fifth column, and the dangers from enemies in our midst. The Canadian people know, and they know only too well, what has happened in Poland, in Denmark, in Norway, in Holland, in Belgium and in France. Only a few days ago they read in the press the inspiring speech of the Right Hon. Winston Churchill, Prime Minister of Great Britain. Part of that press report I now read:

> Mentioning measures against fifth columnists, the Prime Minister said these powers will be used without "the slightest hesitation" and that he was sorry for those "passionate enemies of nazi Germany" who are affected by orders against aliens.
>
> Fifth columnists will be dealt with "until we are satisfied that this malignancy in our midst" has been "effectively stamped out."
>
> After viewing Germany's "originality of malice and ingenuity of aggression" he said Britons can "certainly prepare ourselves for every kind of novel strategem and every kind of brutal and treacherous manoeuvres."

The Canadian people have read that press report, and they know that Canada can prepare herself for just that same type of nazi manoeuvring. They know that the same menace has been found in South America and in North America, particularly in the United States, as has been stated time and again by the great president of that nation. The Canadian people know that there is a menace here in Canada. They know that "it can happen in Canada" despite the dreams of certain people in authority. I should like to quote from paragraph 2 of an order in council which was brought down by our own Canadian government on June 4, 1940, which shows that there is danger here. This order states:

> . . . the Minister of Justice reports that he is advised that there are within Canada numerous organizations of a subversive character which are intended or are likely to be—

I stress the following words:

> —prejudicial to the safety of the state or the efficient prosecution of the war.

The Canadian people know these things. They realize what nazism stands for. They know that Canadians and all other British peoples face extermination or slavery if we are defeated in this war. Let there be no mistake about that. They realize that fifth column activities really constitute a branch of the fighting forces preparing the way for troops; it is no longer just a case of espionage and reporting back to the motherland, but the fifth column is really part of the fighting forces. I point out to the Minister of Justice that the Canadian people realize that nazi sympathizers in Canada have nazi beliefs and will be ready to use nazi methods. Should the time come, we may expect that these people will use the same methods here that have been used overseas.

Our people are engaged in a life and death struggle. Our young men are being sent overseas, not as conscripts but as volunteers. Our people are straining every nerve to send more young men overseas, to produce supplies and to manufacture equipment. They are making great sacrifices, and clearly they will have to make greater sacrifices. They should not be bothered by having to watch traitors at home. They should be spared that. The Canadian people will never be able to put their hearts into the war effort until they are satisfied that adequate precautions are being taken on the home front. They can expect very little from having this question referred to a committee.

And what have the government done? The Minister of Justice had this to say on May 23, 1940, as reported on page 143 of *Hansard:*

> It was known to the police prior to the outbreak of war that some enemy aliens were engaging in activities which in the event of war would be prejudicial to the interests or safety of the state. Some persons who were actively engaged in furthering the nazi cause in Canada were persons who had become, during the course of their residence in Canada, naturalized British subjects.

That statement shows the danger that these men and women constituted for Canada. The government interned 265 enemy aliens and 60 naturalized Germans. If my figures are wrong, I ask the Minister of Justice to correct me. Eventually there have been a total of 406 people interned, of whom 145, or more than one-third, have since been released, not by the courts, not by a judge, but by the government.

Mr. HANSON (York-Sunbury): The minister.

Mr. GREEN: I do not know that the minister is personally responsible; but the fact remains, and I do not think the minister

will question it, that the government have released 145 people who were considered at the outbreak of the war to be dangerous to the very life of this nation.

I cannot find the press clipping at the moment, but the Canadian press carried a report, I think it was on May 25, that a man by the name of John Ketterer had been fined $25 in Vernon, British Columbia, for possessing firearms. The report went on to state that this man had been released from Kananaskis internment camp. It is this sort of thing that is shaking the confidence of the Canadian people. It is this sort of thing that is worrying the Canadian people. Apparently this man was not sent back to the internment camp; he was only fined. According to the minister's statement, there are 261 persons now interned, of whom only one is a woman.

Also this government provided for the registration of enemy aliens, and I understood the minister to say the other day that some 16,643 had been registered and were reporting. I believe the present plan is to have these people report monthly, but complaints are being received that many are reporting not to the police, but to the postmaster in their particular community. I suggest that this should be looked into and these people made to report to proper police officials.

Mr. LAPOINTE (Quebec East): The registrar to whom they must report is appointed by the registrar general who is the commissioner of the mounted police.

Mr. GREEN: I suggest that they should report to police officers. The Minister of Mines and Resources (Mr. Crerar) will correct me if I am wrong, but I calculate from his report that 78,514 people have entered Canada from Germany between March 31, 1919, and March 31, 1939.

Mr. CRERAR: That is in the last twenty years.

Mr. GREEN: Since the great war.

Mr. CRERAR: I cannot say as to the accuracy of that figure.

Mr. GREEN: Then the Minister of Justice said the other day that the Royal Canadian Mounted Police were to be increased by 500, their present strength being 2,450. According to the report of the mounted police, dated March 31, 1939, the strength then was 2,603, so an increase of 500 at this time will not increase the total force that much above the peace-time strength. The mounted police carry on police duties, I believe in six provinces, and they have numerous other duties. Many of the members of this force are serving overseas in the provost force and other units.

Mr. LAPOINTE (Quebec East): That explains the reduction in the strength.

Mr. GREEN: I suggest to the minister that he consider taking on special constables to help handle the enemies in our midst.

Again we have been told that the government are watching these things. There has been too much watching and too little action during the last five years. The government have been watching many things. They have been watching this problem, and apparently that is their main policy in dealing with the enemies in our midst. The minister said the other night that enemy aliens who had been registered, but who were not interned, were being watched, as were naturalized Germans. I take it also that the subversive elements are being watched. You cannot watch so many people effectively. It is impracticable. I have proof of this statement in what happened recently in Vancouver. The *Daily Province* of June 5 quotes a letter written by the city prosecutor of Vancouver to the mayor and council, in which he reports:

> On Friday last officers had occasion to search a house where it was suspected a war offence was being committed. No evidence was found, but the rather astounding fact came to light that the householder was German born, a warrant officer in the last war, registered as an alien during the present war, and was naturalized under a good Anglo-Saxon name April 30, 1940, at Vancouver.

That is the type of thing that happens and will happen so long as this government carries on a policy of watching and waiting on this very, very dangerous question.

I have certain other recommendations which I should like to make to the minister. I would recommend first, of course, that he smother this fifth column activity at once. Do not wait for a committee's report. If its report is like the report of most other committees that I have seen in this house, there will be very little action taken on it anyway when it does come in.

In the second place, Canadians are entitled to know who is for the nation and who is for the enemy. It is the duty of this government to find that out. It is the duty of the government to detain—to detain, I repeat—every man or woman who is for the enemy or who aims to wreck our institutions. Once they are detained they are no menace. Leave them loose and you need all the way from ten to a hundred men to watch each one effectively. Prosecution and fining are not enough in these cases; there should also be confinement. Further, the people who are

interned should be put to work. There are many, many things that could be done in Canada by these aliens who are interned, instead of just letting them sit in the internment camps.

Then I urge this government not to place so much importance on naturalization. I was pleased to hear the Minister of Justice announce to-day a new order in council which gives him further power over certain groups of naturalized Germans and Italians. I think the key to the whole situation is that the gravest danger to Canada has been from certain of these naturalized people. Naturalization is no obstacle to a follower of Hitler. It is an excellent cloak to hide his activities. We have always been too careless about naturalization. We never seem to stress the need in Canada for a change of allegiance in mind. We allow these people who, with the best intentions, are anxious to become citizens to become naturalized, and then nobody pays any attention to them. It is all done in such an offhand way. No attempt is made to take them into our citizenship as comrades; no attempt is made to stress the importance of the step they are taking. We never try to make the applicant proud of acquiring our citizenship. And if we place so little value upon naturalization, how can we expect the man or woman who applies for citizenship to place a higher value upon it? The question of naturalization is one that could very well be considered by a committee of this house. With regard to the naturalized, I would refer the Minister of Justice to a resolution passed at the dominion convention of the Canadian Legion just two weeks ago. That resolution reads:

> That the regulations for the defence of Canada should be so amended as to require registration of all citizens of enemy origin who have acquired British citizenship by naturalization—

In my opinion that goes too far. I would have suggested, "who have acquired citizenship since the great war." I notice that the Minister of Justice in the order in council fixed the date at September 1, 1929.

Mr. LAPOINTE (Quebec East): Ten years ago.

Mr. GREEN: The resolution goes on:

> —and to give to constituted authority the power to deal with such citizens in the same manner as unnaturalized aliens are dealt with if there is reason to believe that they are connected with enemy activities or sympathetic to the enemy regime, and particularly those who are known to have been actively associated with organizations recognized and developed by German consular officers.

Then I suggest to the government that they see that there are removed from key positions in this country, governmental or otherwise, all persons who are not definitely with us in this struggle. The nazi policy, the communist policy, has been to get their men into key positions, no matter how they get there. They are to occupy key positions where they can do the most damage, and I think the government should focus attention on that aspect of the problem.

The government should also check at once the situation with regard to firearms. I understand that rifles, shotguns and arms of that type do not have to be registered except those in the possession of enemy aliens. I suggest that the government look into the whole question of firearms, establish some sort of check on their sale, and possibly provide for registration of all firearms in Canada. The legion also had a recommendation on that point which I think is well worthy of consideration:

> That in order to facilitate the control of arms, provision be made that all persons shall register all firearms and explosives of any description in their possession with power to the police to seize all unregistered arms and also registered arms and explosives when in the opinion of the Royal Canadian Mounted Police the arms in the possession of an individual are likely to be dangerous to the state.

I also suggest that the government might do something to help those of our foreign-born citizens who are known to be with us, help them in some way to show their loyalty. The nazis have been bullying them, threatening them that if they did not join the nazi movement their relatives in the old land would be abused, and so on. I suggest that the government do something to help the foreign-born who are with us. As a sample of what might be done I quote from the Nelson *Daily News* of June 4, which describes what was done at Trail, British Columbia. There are several hundred Italians employed at the Consolidated smelter in Trail. The manager of that smelter, Mr. Blaylock, who by the way is one of the great Canadians of this generation, called these Italians together and put the onus on them. He said in effect: "I put it to you to see that there is no sabotage by anybody in the Italian community in this city. If you will take that responsibility I will see that you are not interfered with." These Italians reacted as one would expect them to react. They assumed that responsibility, and they went further—I quote now from the newspaper:

> These Italians decided voluntarily to give up their firearms and immediately launched a drive throughout the community to collect such arms, completing it Saturday and turning them over to the Consolidated for safekeeping.

They went on to authorize the company to deduct $1 a month from the salary of each employee to be used for Red Cross purposes. I suggest that something along that line

might be undertaken by the government in different parts of this country where there are large bodies of our foreign-born citizens.

My final suggestion is that the government should guard all vital points. Day after day in the house, when the war effort was under debate, we heard stories of this point and that point not being adequately guarded. I suggest that the government should be on the safe side and, if necessary, guard too many points. We have many, many veterans in Canada capable of doing this work and anxious to do it, and I suggest that the government allow them to guard all the vital points in this dominion.

In conclusion, may I say again that the Canadian people have the right to insist on adequate protection from enemies in their midst. The Canadian volunteers overseas have the right to insist that their loved ones and their homeland shall be free from treachery. Let the government abandon its watching policy on this question; let it take determined action at once to meet this danger. This whole war crisis is a grand opportunity for Canada to become a strong nation, but what Canada needs more than all else at this moment is strong leadership. We can grow strong only by facing these difficult problems when they arise. I repeat that the government policy of referring this question to a committee, and then sitting back and waiting until the report comes in, is not good enough and is not giving the Canadian people the leadership to which they are entitled.

On motion of Mr. Slaght the debate was adjourned.

THE LATE HON. NORMAN ROGERS

STATEMENT OF THE PRIME MINISTER WITH RESPECT TO FUNERAL ARRANGEMENTS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Instead of continuing the debate this evening, I trust it will be agreeable to hon. members to take up instead the resolution in the name of the Minister of Labour (Mr. McLarty) which has already been under consideration, and continue to-morrow afternoon the debate on the present motion.

The leader of the opposition (Mr. Hanson) has intimated to me that some hon. members would like to have particulars of the services in connection with the funeral of the late Minister of National Defence. The remains of the late minister are being brought to the city this afternoon. It is expected the train will arrive shortly after six o'clock. The remains will be taken immediately to the family residence. To-morrow a service which will be entirely private, will be held at the late minister's residence at which only members of the family will be present.

The government have thought that, having regard to the circumstances which occasioned the death of the late minister, and which I believe will relate themselves in the minds of all to his part in Canada's war effort, also having regard to the fact that the minister was at this time of war, the Minister of National Defence, it would be appropriate and, indeed, that it would be desired by hon. members that some service should be held which would have its association with the houses of parliament. Accordingly we have decided to have the remains brought to parliament hill some time to-morrow afternoon—the exact hour will be notified to the press a little later on—and a very brief service will be held in the hall of the parliament buildings. At the conclusion of the service, the cortege, under military escort, will proceed to the union station. That is all I am able to say at the moment.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—UNDERTAKINGS IN GENERAL INTEREST AND FINANCIAL ASSISTANCE TO PROVINCES

The house resumed, from Friday, June 7, consideration in committee of the following resolution—Mr. McLarty—Mr. Fournier (Hull) in the chair:

That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress out of moneys appropriated by parliament, and for such purpose to supplement the measures taken by the provinces towards providing assistance to those in need, establishing unemployed persons in employment and training and fitting suitable persons for productive occupation, and also to provide financial assistance to the provinces by way of loan, advance or guarantees out of unappropriated moneys in the consolidated revenue fund, and for the appointment of necessary officers, clerks and employees.

Hon. N. A. McLARTY (Minister of Labour): In the course of the debate on June 6, the hon. member for Nanaimo (Mr. Chambers) stated that a questionnaire had been sent to various manufacturers when the national employment commission was functioning, and the hon. member for St. Paul's (Mr. Ross) requested that information be furnished relative to this questionnaire and

the results that followed from it. At the time I said I understood it was contained in an appendix to the report of that commission, but I find that this was incorrect. The questionnaire was sent by the Canadian Manufacturers' association pursuant to the request of the youth employment committee of the national employment commission. I would ask the unanimous consent of the committee to have the questionnaire placed on *Hansard* together with a tabulation of the composite reply, as follows:

The following are the facts concerning the questionnaire referred to by Mr. Chambers in *Hansard* of June 6.

At the request of the youth employment committee of the national employment commission, the Canadian Manufacturers' Association sent out the following questionnaire to their members in the early fall of 1936:

(1) Have you already experienced, or do you anticipate in the near future, any shortage of skilled workers?

(2) Have you any plan or policy for training young workers? If so, is it still operating?

(3) Do you consider it feasible, and if so, desirable, to organize some apprenticeship or other training system for your industry?

(4) If the answer to (3) is in the affirmative, do you think such a system should be operated entirely on a voluntary basis, or is legislation necessary?

The tabulated answers are as follows:

Question (1) Yes, 80—No, 161.
Question (2) Yes, 136—No, 86.
Question (3) Yes, 61—No. 124.
Question (4) Voluntary, 88.
Legislation needed, 13.

This questionnaire is embodied in the appendix of the report of the youth employment committee of the national employment commission.

Mr. T. L. CHURCH (Broadview): Representing an industrial riding, I have had some experience of the kindness and courtesy of the present minister in dealing with his department and complaints on relief matters, but I must point out that there are two wars in Canada to-day. One of these is the greatest war which civilization has ever witnessed and in which we are participating, together with the mother country and other parts of the empire; the second war is an internal one. Previously in this house I said:

We have a war in Canada to-day, a war between millions of our fellow men and poverty and starvation, a war between youth and poverty. The enemy is just as dangerous as a foreign foe in war time. Against a foreign foe we unite; against our internal foe we are disunited and do nothing to check or repel it. When the invader is at our gates the country mobilizes its entire resources, its man power, its transportation system, its capital, but in time of depression and unemployment driving people to the wall the industrial workers are left without any protection at all; they bear the brunt and we do nothing but sit around and appoint commissions. Nothing is said in this bill as to the relation between the industrial worker and agriculture.

Ontario seems to be the forgotten province of confederation. I do not believe in any policy which has for its object a form of protection for youth alone and the alleviation of the problems of youth. I am for protection for all the people all the time, no matter of what age they are. Of course I am altogether in favour of any policy that will help the youth, but we must not overlook the forgotten man in industry. That forgotten man is about forty-five years of age to-day. He belongs to that class of returned soldiers who have families to support, and some industries will not give them jobs at that age. There seems to be a standard rule that militates against these men. I do not say it is the fault of the business men of the country or of the manufacturers. I do not suggest that at all, but the fact is that these men cannot get work and they have children dependent upon them. I wish to support the government in any progressive measures it may propose to aid those on relief, but it seems to me that nothing is being done for this class of our citizens. Some of these forgotten men cannot get relief. They cannot get a job. Men of forty-three and forty-five, unable to find work, unable to get any relief, are also ineligible for the army. They will not take them in. Our dear, departed friend, the late Minister of National Defence, Mr. Rogers, discussed this matter a couple of years ago when I proposed to have a national policy of work for our Canadian working men on the apprenticeship basis, but the government has made no provision for them.

There is something radically wrong with our education in this country, as the present war shows. Our young people are getting too much mere book learning, and not enough attention is being paid to such things as service to one's country, duty, sacrifice and sacrifice for one's fellows and so on. When I saw this war coming in 1937 and 1938 I proposed in this house a policy fashioned after that which was adopted in England in connection with young people out of work there. Four years ago the Minister of Labour over there the Right Hon. Ernest Brown, accompanied by the then Secretary of State for War, made an address to some two thousand young people in the market place in York city, and in that address he stated that the government proposed to provide an apprenticeship course for young men whereby they could learn any one of nine or ten trades in different industries; this was linked up with national service for one's country. These young men

would get pocket money, lodging, food, clothing and deferred pay, and at the end of their period of training and apprenticeship they would be qualified to serve as pilots or mechanics in the air force, or they could go into any of the industries for which they had received training.

Three years ago I proposed in this house such a policy adapted to Canada's special circumstances, and I venture to say that if it had been carried out we would have men trained to-day for the air force The minister's predecessor admitted to me that what I had said was correct, namely, that the governments of Canada, federal, provincial and municipal, had spent about one billion dollars in taking care of the unemployment problem and in relief and relief works. And with what result? There is nothing much to show for it. The problem to-day is quite acute. Walking down from this building to the Chateau Laurier one encounters a good many panhandlers. I am sorry for these young men. They cannot get employment and there is no room for them anywhere. They complain they cannot get into the army. They have no relief and no food or lodging. Surely this is a federal problem. I have frequently urged this point of a national apprenticeship system with national service upon the government and this house, but the government has so far not adopted it or a register.

The unemployment problem is here to stay, and so far the municipalities appear to have been bearing the brunt of it. So far as Ontario is concerned, the municipal assistance act does not apply to that province, because Ontario will not accept it. Theoretically Ontario may come under that act, but the province will not accept it. Many municipalities wish to come under the act, but they do not qualify. Two years ago I urged as strongly as I possibly could that Canada should get busy and secure for industry some of the Chamberlain government's rearmament orders to help trade and industry here, especially unused plants, and in the manufacture of war implements and aeroplanes. A number of key men who were in the great war came from United States universities to Toronto in 1917 for their training in Canada, and after the war went home to their own country and began the manufacture in the United States of aeroplanes. Our own government—and I am not speaking of any one government only—did nothing to utilize the services of these men, who were Canadians in Canada, for similar purposes. Some of the young people who were over here after the last war went to San Francisco, where they commenced industries, and they have made millions of dollars at the Pacific coast out of British rearmament orders, when all that work should have been done in Canada. One of the great pilots of the last war, the late Colonel Barker, V.C., D.S.O., M.C., tried to educate Canadians to take up the aviation industry and develop it for civilian and military work, and train pilots. Had his policy been followed, we would have been ready for war and have obtained huge orders, instead of one per cent of Britain's orders to the start of the war.

As far as these commissions are concerned, we may as well forget all about them. We have the Sirois report. Well, no doubt it will be committed to the archives; "earth to earth, ashes to ashes and dust to dust." This is the last we will hear of that report, which cost a great deal of money—over $400,000. I have a return showing exactly what it cost, but I have not had time to look it up. Royal commissions have been a favourite method whereby the federal government have postponed action when action was urgently needed. They have achieved nothing; that is why they were appointed. They are only advisory, and as soon as the advice is given it is discarded. That is what was done with this report; all their decisions were based on facts which were already known to everyone. The country has had enough of these Pickwickian commissions which seem to do nothing and to which no one pays any attention. It depends on the instructions they are given; and then when the report is received nothing is done about it.

In conclusion, I should like to say a word about real estate and the municipalities, because real estate cannot stand anything more in the way of taxation. If all these federal and provincial relief burdens are placed on it, it is by no fault of the well conducted municipalities. An investigation was held by the Federal Home Loan Bank Board of Washington, and on February 25 of this year they made a report. This is what they say with regard to loading this debt on real estate:

> The past few years have been marked by important reductions in the cost of home ownership and home purchase, such as greatly reduced mortgage interest rates, easy monthly repayment plans on mortgage loans, and the abolition of special fees and excessive charges.

We did the same thing here; we reduced charges along these lines.

> The prospective home owner or home buyer now has access to the lowest rates and the best terms in the history of our country. These things the private lending institutions and the government agencies have cooperated in bringing about. But other carrying costs of the property are most important to keep down if home ownership is not to be jeopardized. Outstanding is the real estate tax which literally swamps home owners in many states to such an extent that it provides a grave danger for the future.

That is the very thing that is happening in Canada. The taxes on the property of the average member of this house amount practically to a rent in itself, because the cost of these federal and provincial relief and other debts has been loaded on real estate.

Not only do these taxes have a serious effect on individual home ownership but they hurt the entire real estate market. People and institutions both hesitate to place investment money in real estate when taxes are so high. This means that new construction is retarded and the vast amount of institutionally-held real estate is not being reduced fast enough. This "overhang" of acquired real estate in the hands of lending institutions is in itself a menace to the return of an orderly market. It is most unfortuate that high taxes are keeping prospective buyers away from these properties which should be returning to private hands once more. Undoubtedly the present rate of expansion in home construction could be greatly accelerated if the public could be assured of equitable taxes. More people could be put to work on new construction and a better economic atmosphere would prevail.

Real estate has reached the point where it can stand no more in the way of a burden. Not only have we loaded this federal burden on the municipalities; we have taken away their income tax and other revenues as well. Until 1918 the entire field of income tax was exclusive to the municipalities. In that year the dominion invaded that field, presumably just for a year or two, but they have occupied it ever since. Not only that, the provinces also have imposed an income tax, and as a result the revenues of the municipalities have been depleted so that they receive only pin-money as compared with what they would have received if they had been able to retain for themselves their own exclusive fields of taxation of all kinds which they used to have.

We in this country have been slow to notice how people have had their property taken from them. In the early days of confederation, the days of Macdonald, Cartier and Laurier, everyone was a property owner. Every man owned a cow, a mill, a small farm, a market garden or something of the kind, but that is no longer the case. Our people have become proletarians to such an extent as to threaten the economic, social and industrial future and structure of this dominion. I do not suppose much can be done at the present time to relieve this situation, because of the war, but I should like the government to give some attention to the recommendations which have been made by the mayors of the country. Many members of this house, including some of those who have come here for the first time this session, have come up from municipal councils. The hon. member for Témiscouata (Mr. Pouliot), who unfortunately is not in the house at the moment, was instructed by the federation of Canadian mayors to visit several cities in the United States and make a report on these matters. I have no doubt the minister has a copy of that report, which deals with the whole question of real estate, taxes, relief, food, rents and so on. It is a valuable report. The hon. member visited and saw the mayors and city officials of Chicago, Detroit, Cleveland, Cincinnati, Baltimore, Philadelphia, Boston and New York in order to study conditions in those cities, and I think he did an excellent piece of work. We can certainly take a lesson from the United States; for when the depression came, they were ready with a report on relief and unemployment in 1927 by Senator Couzens of Detroit and his senate committee, and nearly two-thirds of the Purvis report is copied from the Couzens report.

I hope the minister will give heed to the municipalities, because no more revenue can be obtained by taxation on real estate. I would suggest that the dominion government give back to the municipalities a portion of the revenue obtained through the income tax, as the province of Ontario has done, since this was once the exclusive field of the municipalities. Give the municipalities something with which to take care of these people, or take over relief and hospitalization altogether. These unfortunate people are the victims of a cruel industrial system and some of them are unemployable. The municipalities are compelled to spend huge sums of money in connection with sanitation, relief, hospitalization, unemployment and many other matters, and it has reached the point where no one wants to own a foot of real estate. If I could only get rid of the real estate I own now, I would never own any more, because the whole structure of taxation in this country has been destroyed through the dominion and the provinces invading the exclusive fields of the municipalities and imposing on them impossible burdens never contemplated. This problem is largely a federal matter. We make the tariff; we make the financial laws, the immigration laws and all that sort of thing; yet we load these burdens on the municipalities.

I hope something may be done to help them. I realize the burden of debt the dominion must carry as a result of the last war, and the prospective debts resulting from this war, but I do hope something may be done so that any money given by this government to the provinces will be earmarked for distribution to the municipalities or go direct to them.

Mr. A. W. ROEBUCK (Trinity): Mr. Chairman, it is with some hesitation that I have sought your recognition to-night, to address for the first time my fellow members of this historic assembly. I suppose all new members approach such an occasion with a certain diffidence, particularly if they realize the advantages which he who listens has over him who speaks. In making an address for the first time to a parliamentary assembly such as this, one is always conscious of the newness of the circumstances, of the unfamiliarity of the occasion, and of other conditions. Above all, one who is here for the first time or, rather, is on his feet for the first time in this assembly, would not have it thought that he assumes the role of a teacher to those who have possibly been in the house for many years longer than he.

Yet, Mr. Chairman, I am impelled to overcome this natural diffidence on my part because of the importance of the subject matter of the resolution under discussion this evening. Although that would be sufficient excuse for anyone, yet added to that is the interest which I have so long taken in matters of humanitarian importance such as the one involved in or arising out of the subject matter at present before us.

I could, I suppose, fancy a greater disaster; but certainly the disaster would be great indeed if it were anything like what would happen in my constituency and in many other constituencies in Canada should this resolution fail of passage. I do not suppose there is any chance of that occurring, and yet perhaps that is the test which one might apply to a measure. What would be the result were the measure not to pass?

This is a war parliament. I know that the minds of hon. members, as well as the minds of people throughout the country at large, are filled with the exceeding gravity of the world situation. I know that any question touching upon Canada's participation in the war and her effective contribution to it must take first place in our deliberations. In the very first instance, if we can, we must save the world for freedom and democracy, and we must protect our own shores from invasion, which is actually threatened at the present time. These matters come first.

And yet, second to the world problems before us are those problems of local concern associated with the welfare of our own people. After all, is it not one problem? The welfare of our own working people is really wrapped up in the problem of our foreign defence and of the preservation of the world at large for democracy and freedom. There is not very much difference between the soldier in the factory and the soldier serving in the front line trenches. Each is equally essential to the success of our arms abroad. I do not believe that one could draw any distinction between them from the point of view of importance; one would not draw a distinction between the man who makes and fills a shell and the man who must fire it. Each of them is equally important to the final success of our arms in the field.

For this reason I suggest to the committee that this resolution is next in importance to those which have to do with the carrying on of the war itself. I know in court work it is necessary thoroughly to understand what it is one is discussing, and for that reason I place before hon. members that part of the resolution of greatest importance, eliminating some of the features of lesser importance. I read:

> That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress out of moneys appropriated by parliament.

I am appalled by the very thought of what necessarily would happen in communities throughout Canada, and particularly in the community from which I come, were that resolution to fail to carry. I am not as familiar with the agricultural situation in Canada as I am with conditions in industrial and urban centres. But I shrink from a contemplation of the scenes which would occur in thousands of houses in the constituency from which I come and in the city which in part I represent—yes, and in many other industrial centres of Canada—were we in some way to withdraw from what we have been doing in the past, or if by some voluntary action on our part we even reduced the amount of the meagre assistance we have been giving in the past.

In the house and certainly in the country at large there has been a great deal of discussion on the question as to whether reliefees are undernourished; that is to say, whether our relief rates are so meagre or our relief so insufficient that those receiving it are actually undernourished. I do not purpose taking part in the debate, but I recollect a remark made by the hon. member for Renfrew South (Mr. McCann) the other night to the effect that the grandchildren of the refugees of to-day may pay the price of present-day food deficiencies. That was his opinion, and I accept it as the opinion of a medical authority of considerable standing in the community.

It is not necessary for us to decide the question, but I think every hon. member should agree with me when I say that whether relief is sufficient or insufficient, it would be highly undesirable were we by some voluntary act on our part to make conditions worse

than they are to-day. A shortage of actual food—if there is a shortage—is not the only evil that comes from relief; and I have said that I would not debate that point. A shortage of foods is not perhaps the worst of the evils which come to the reliefee. In my judgment enforced idleness is a greater curse than a half-filled stomach. The old biblical injunction, "In the sweat of thy face shalt thou eat bread" was not a curse at all. It was a blessing, rather than a curse. It was a promise that labour and enjoyment should be united. And I am rather of opinion that they cannot be separated—not permanently, at all events; and if at all, only at times. War is a great disaster to fall upon any people. The war of 1914-1918 can be described as nothing less than a monster, major disaster. I am of opinion, and with some thought behind it, that the moral and physical degradation which resulted from the mass unemployment during the post-war period was a greater disaster to the manhood and womanhood of Canada than was the war itself.

The hon. member for Rosetown-Biggar (Mr. Coldwell) stated in the house the other day that a nation's chief asset is its people. That is not a new sentiment by any means. He did not invent that statement, in fact I think he quoted it. But whether new or not, I should like to join with him in that expression. I should like to pay what I think is perhaps a deserved tribute to the members of the third parties that sit to the left of the Speaker. These hon. gentlemen have seen a vision, a vision of a better social state. I think the hon. member for Rosetown-Biggar has had a glimpse of the city beautiful that is built upon a hill, and I honour him for it. I cannot always tread the path that they are following, but they are travelling what they are convinced is the upward climb to the city that is built upon a hill. I give these gentlemen credit for the humanitarian attitude they have adopted since I have been listening to them here and as I knew them by reputation before I became a member of this house. There are not many in the house who are ready to give them credit.

The hon. member for Parkdale (Mr. Bruce) is not in his place. He knows something about the poor of our cities. He was the chairman of a housing commission which with considerable labour and not small expense investigated living conditions in Toronto. His report was made in 1934, and in it I find the statement that 2,000 houses in that city are unfit for habitation. After making an investigation of that kind and with the knowledge that he must possess as a result of that experience and that expenditure of public money, it seems to me unfortunate that the hon. member should be wasting the time of this house and his own time in making partisan attacks upon his political opponents. He would be better engaged in joining with some of the rest of us in endeavouring to improve the condition of our fellow citizens. The hon. gentleman knows considerably more about the tanks that are to be found under waistcoats, and that walk around on two legs and frequently require to be filled than he does about the tanks which are in service at the front.

I invite him to join with some of the rest of us in attempting to find remedies for at least some of the unfavourable conditions to which I have referred. This might be possible with a display of sufficient good-will among men of good-will; it will not be found in partisan recriminations. As I say, the hon. member is not in the chamber, but I suppose he will read my remarks later. I ask him to join with me in protesting against the kind of housing which so many of our fellow citizens are condemned to use. I invite him to join with me in protesting against the cold brutality with which one province at least has kicked out the homeless, transient, single unemployed.

Mr. HOMUTH: Which province?

Mr. ROEBUCK: My hon. friend knows the province; it is the one from which he and I come, the province of Ontario. I do not say that Ontario is the only province which has been guilty of brutality toward the single unemployed, but it is one of the guilty provinces. It is not so much my purpose to make charges against provinces or against those who administer the provinces as it is to call attention to the unfortunate condition of these young men. Not so long ago someone in this house described them as walking the streets and highways, sleeping in parks at night and riding the rods from place to place vainly looking for something to do. These are only illustrations, but they strike at the very vitals of this resolution.

What is involved in this resolution? I hold in my hand a report published by the Department of Labour in connection with activities carried on under the Unemployment and Agricultural Assistance Act, 1939. At page 40 of this report I find published the amounts of money which the Dominion of Canada has granted from time to time under the advice of the Minister of Labour for the alleviation of distress in our provinces. From 1930 to the end of the fiscal year 1939-40 we have expended—perhaps this is the best money we have spent—a total of $377,000,000. In the fiscal year which has just closed, that of 1939-40, we shall have

expended something like $30,000,000 in assisting the various provinces to minister to poverty in our midst. During that period there was spent in Ontario a total of $111,000,000. We have actually expended over $99,000,000 upon enterprises in which the provinces and dominion joined as partners.

I think every hon. member would agree that we should continue that expenditure notwithstanding the other difficulties which now confront us. This resolution should be passed unanimously. In this connection perhaps it will not be amiss—I do not know that I violate any rule of etiquette of this house—if I pay a tribute to the minister under whom these expenditures are now made and to the good work which I know personally he has performed in his department. Recently I sat on two boards appointed under the Industrial Disputes Investigation and Conciliation and Labour Acts, and I had a good deal to do with bringing about the appointment of another board just shortly before this house assembled. I have seen the minister in action, and I can report to his fellow members the vigour, intelligence, enterprise and, may I add, the success with which he has carried on his work.

In addition, another reason why we should pass this resolution is that the figures issued by his department are fairly satisfactory. Of course nothing could be absolutely satisfactory in the alleviation of distress; probably we should not have any distress; but putting all that aside, they are fairly satisfactory as figures go. I notice this, that the grand total of direct relief recipients has decreased since March of last year, 1939, from 1,027,000 to 768,000 persons. That is a considerable reduction and one which could be reported, I think, with a great deal of pleasure. It means that as many as 259,000 people have gone off the relief rolls of the Dominion of Canada in one month as compared with the other. Only two provinces in the whole dominion do not show improvement in this regard, namely, Quebec and Prince Edward Island. It is difficult, of course, to give explanations of matters of this sort, but I think one could explain it to the province of Quebec by saying that highway construction is not nearly as active in that province this year as it was last year in view of the recent provincial elections. They had an estimated 10,000 men working on the roads of the province of Quebec last year, but there are a great many fewer working there to-day. These people who were working on the roads will number, with their dependants, some 40,000 or 50,000, and that explains, I think, why it is that the decrease in the numbers of those on relief to be found in all the other provinces is not observed equally in the province of Quebec. So far as Prince Edward Island is concerned, the relief rolls there have been kept up, I understand, by the difficult conditions through which the fishing industry is passing.

Mr. HANSELL: What about New Brunswick?

Mr. ROEBUCK: I believe New Brunswick has reduced its numbers on relief; that is what the report says.

Mr. HANSON (York-Sunbury): There is no registration of direct welfare. The towns and cities are having to assume the whole responsibility. This government gives the province a grant and the province does not pass any of it on. We have to handle the relief work ourselves.

Mr. ROEBUCK: Perhaps some of the reductions may be explained by the remark made by the leader of the opposition (Mr. Hanson) two or three days ago when he referred to the Bourbons who had struck these poor people off relief. I hope that does not very generally apply, but I honour him for the plain speaking with which he described their actions.

Not only have the relief rolls decreased during this last year, but more encouraging still perhaps is the decrease in the unemployed wage-earners, the unemployed employables as reported by the bureau of statistics. Hon. gentlemen, whether they sat in this house at the time or not, will no doubt have a vivid recollection of the conditions which prevailed in this dominion in 1933, when as many as 730,000 employable men and women walked the streets looking for jobs when no jobs were to be found. That was a terrible condition to afflict any nation, and I observe with some little satisfaction that these figures have been decreasing, not nearly as rapidly as I should like or as hon. members would prefer, but nevertheless decreasing from time to time in the years that have intervened. In 1933 the number of unemployed employables was 703,000; in 1934, 598,000; in 1935, 589,000; in 1936, 568,000; in 1937, 519,000; in 1938, 456,000; in 1939, a slight increase and the only increase, to 494,000; and this year which has just closed, 1940, 391,000. So that there has been a good deal of decrease in the years since 1933.

I observe also that not only has the number of unemployed employables decreased, but those on relief have greatly decreased in numbers. In 1937, the first year for which the figures of this classification are available, the number was 245,000; in 1938, 168,000; in 1939, 186,000; and in 1940, 172,000. I suppose that everybody will join with me in an expression

of hope that these numbers will go on decreasing at greater speed in the future than in the past.

But here is a question which we should ask ourselves, and which probably the country would like us to answer. With a war in progress, with 100,000 men, roughly speaking, taken out of the labour market and put into battle dress, and with thousands of dollars being spent in our munitions plants, with war contracts being given out, I noticed to-day, at the rate of two and a half contracts to the minute of every hour of the working day, why is it that we have any men at all left on relief? I am not going into the philosophy of why we have unemployment, speaking generally, because I am dealing with this matter only superficially perhaps at the moment, but there are some reasons, in my judgment, which explain why we had 391,000 unemployed employables in April, 1940. To begin with, there are no actual figures available of the enlistments of those upon relief. Figures are not available showing how many of those who enlisted came off relief, but I am under the impression—and I am assured by those who seem to know something about the matter—that the numbers are not large. There are many reasons why men enlist, but it seems to me that the outstanding motive, the motive which actuates nearly all of them, is a desire to take part in the service of one's country. I suggest that it is most unfair to insinuate that our men who enlisted did so because they were on starvation wages or starvation allowances. I heard that suggestion made in this chamber not so very long ago. I regard it as a libel on our men. I do not believe that it accounts for the enlistment of any appreciable proportion of them. I repeat, as a reason why these relief rolls have not decreased, the fact—I believe it is a fact—that very few among those who enlisted were on relief. There are reasons for that. A sojourn on a narrow margin of relief is not designed to fit a man for the intense physical examination through which a recruit must pass when he comes to a recruiting office. He does not stand very much chance in a competition of this kind against men whose diet during the previous months has been better than his. Nor is the class on relief particularly suitable as a source of recruits. Most of them are labourers or men engaged in construction. In the nature of things there will not be found as large a proportion of skilled men forced to draw relief as will be found among the labouring, unskilled classes. In consequence, of course, these latter are not nearly so acceptable to the recruiting officers.

Another thought which crosses my mind is this. During several months before recruiting commenced, many factories all over Canada were working half time; but as war orders have increased and as factories have speeded up, while they have taken on some additional men, the number so taken on are by no means proportioned to the increased activity of the factories. In too many instances, instead of increasing their staffs, they are working overtime with the same staff greatly speeded up. So there is very much more additional employment than there are additional employees. This is unfortunate, but it is a fact.

Let us not forget the other side of this ledger. On the one hand is a certain amount of activitiy brought about by war orders, but on the other hand a certain amount of industry has been destroyed because of the war. A consideration of one column only will not give one a correct picture. For instance —and perhaps this is an outstanding point— let us consider the dislocation of our foreign trade as a result of the declaration of war. I have before me a statement compiled by the external trade branch, dominion bureau of statistics, for the four months ended April, 1939, and the corresponding period of 1940, and I observe that in the four months ended April, 1939, we sold to Germany alone $2,987,000 worth of merchandise. It is unnecessary for me to give the figures of 1940. That trade was completely destroyed as a result of the declaration of war. I note here also the trade figures with regard to Poland and Danzig. In the same four months of 1939 they absorbed $735,000 worth of our merchandise. Not one dollar's worth has been sold to them this year. These are but illustrations of the dislocation of trade brought about by the war.

But there are other conditions to be considered. For instance, there is the position of the building and construction industry. It is true that the expenditure of public money upon war orders has increased the activity of our building trades; buildings have been erected for war purposes and for those purposes only. But while there has been an acceleration in that direction, one must realize that a good deal of normal building activity has disappeared as a result of the war. Not all building, it is true; but one can fancy a person contemplating building himself a house and holding his hand under the doubtful conditions which now confront the communities of this country. So when one looks at the figures one finds the building industry is running along this year at just about the

same pace as it did the year before. That is to say, the increase in the number of buildings on account of war orders has been offset by the absence of other types of building in consequence of war conditions. The same thing applies to public works. There are public works which have been brought about by war conditions, but on the other hand various public works have been stopped for the same reason.

All this offers some explanation, at least, why, with these large expenditures of money upon war efforts, there are yet some people on relief. I would draw the attention of the committee to the fact that this phenomenon is not peculiar to Canada. I listened a short time ago to the present Prime Minister of Great Britain speaking over the radio, and I heard him deplore the fact that there were at that time in England 1,300,00 people out of work, one-half of whom were employable. Can one imagine a nation at war and fighting for its life, as Great Britain, along with the rest of the empire, is doing, realizing that wars are won in factories quite as much as on the field of battle, yet having one-half of 1,300,000 unemployed men in enforced idleness! We democracies have still a good deal to learn in the arts of self-government and with regard to those tendencies which bring about stagnation on the one hand and industrial activity on the other. But may we not hope that in the coming months, with the increased expenditures, with the activity which war always produces, and with changes in economic conditions which I do not propose to describe, we may find the entire employable population of our country absorbed either into the army or into the factories of our dominion? I hope so.

May I close with another thought. So far, I have been talking about the past. I should like to say something about the future. I notice in the Sirois report some criticism of the federal jurisdiction for its supposed lack of leadership in the post-war period. This is not politics. The report was referring to all parties and it explained the growth in the importance and the dominance of provincial jurisdictions. There may be some truth in that statement, the lack of leadership in the federal jurisdiction during this post-war period. But while that may be so, I submit that it does not apply to the Department of Labour, because in that department there has been perhaps a more progressive, forward-looking administration than in any other department in the twenty years following the war. My hon. friend opposite says something. Evidently he does not agree. Well, the Department of Labour has been sufficiently progressive. I do not think any fault can be found with that word because I look for progress. That was what I was leading up to.

I should like to see this resolution carried unanimously because I wish to strengthen the hand of the Minister of Labour in those plans which I hope he has in mind and which would make for social betterment in our country during the coming years. I have in mind for instance the subject of unemployment insurance; I have in mind the idea of minimum wages and maximum hours within the dominion, matters full of difficulty it is true, but matters with which this house should wrestle in order to establish, as President Roosevelt has said, a floor under wages and a ceiling over hours.

No one can be as familiar as I am with industrial conditions in this country and not regret the pitiably low wages which in many instances disgrace our civilization. I hope that the future years, if not the future months, will see something done in this regard. Someone passes me word that my time is up. I wonder if I may have one more minute to finish two or three sentences.

The CHAIRMAN: By unanimous consent of the committee.

Mr. ROEBUCK: This parliament passed an act giving the right to organize. It was in the form of an amendment to the criminal code and was passed at the session before last. It has not been adopted by the province of Ontario, and I hope that the ministry of labour will find some method of making that law applicable to Ontario irrespective of those who now oppose it. There is great work ahead of the ministry of labour and I should like to see this resolution passed unanimously in order to strengthen the hand of the minister in carrying on social work which is in his charge and perhaps in meeting some of the obstructions that are in his path from other jurisdictions.

Mr. DANIEL McIVOR (Fort William): I will try to be brief because I believe that in this house men are not listened to merely because they say much. The hon. member who has just spoken (Mr. Roebuck) has given us something well worth listening to and reading and I congratulate him. He made some reference to relief recipients who did not enlist. I know there is some heartburning in the town of Trenton because some of our young men who left Fort William were twitted for having signed up because they were on relief. Let me say that these young men are equal to the cream of any country

in the world, and I know them well. Those young men who have given up fine positions and good salaries and have left their homes find that their rents have been increased beyond any conception, and I think the department should look into increases in rent being charged young soldiers in that town. However, that is not what I intended to say when I rose.

I know that our hearts are very tender. As the hon. member said, this is a war parliament, and we all know that some splendid memorials have been demolished. When we think of our loved ones who have gone on, we all feel that we would like to do something to honour their memory, to make their names live for the good of this land of our birth or of our adoption. When I think of the times I interviewed the late minister on the question of youth training, and the courtesy and patience he showed on every occasion, always willing to listen and to take suggestions, I am convinced that we should erect a war memorial and call it the youth training movement of Canada. I am convinced that the present Minister of Labour (Mr. McLarty) will never lose sight of that youth training. It is the most constructive thing I have seen in my forty-four years in this great country. Some of the youth have said to us, "Do not let it die." And by God's help it will never die. I am convinced that the present minister will make that memorial to his predecessor in such a way that youth training will be taken up with greater determination and Christian charity than it has ever been taken up before. When men have laid down their tasks others must take them up, and we will not depend upon one man to do the work of others. We will do our best, hoping that we shall be spared a long time and keep our youth training alive so that we shall see that this youth training programme is made a splendid success.

I am convinced that if the youth training movement dies, it will be a curse to Canada. Personally I am prepared to join with anyone in making it live; for if it had not been for unemployment and relief, and relief camps I would never have bowed my head to the finest constituency in this great part of our dominion, but being here I will do my best to see that every last employable person in Canada shall have an opportunity of sweating up to his job and keeping a cosy corner for his little wife and family.

Mr. ANGUS MacINNIS (Vancouver East): When the committee was discussing this resolution last Friday I was speaking at six o'clock and did not have time to finish what I wanted to say. Before coming to the points I wish to discuss to-night, I should like to thank the hon. member for Trinity (Mr. Roebuck) for the kind reference he made to the members of this group. I presume the group to my left will thank him also because I think they were included. His remarks reminded me of a statement made by another great Liberal who has passed to his reward these many years. Shortly before his death Right Hon. W. E. Gladstone made this statement:

> I painfully reflect that in almost every political conflict of the last fifty years the leisured classes, the educated classes, the wealthy classes have been in the wrong. The common people—the toilers, the men of uncommon sense—these have been responsible for nearly all the social reform measures which the world accepts to-day.

I agree that we have been and still are ploughing an unpopular furrow, if that is not mixing my metaphors too much. The policies we have been and are advocating are not greatly to the liking of many. The logic of events, however, will compel people to adopt them, as was the case during the fifty year period of which Mr. Gladstone spoke. I would suggest to the hon. member, however, that he be not too friendly, because he might get himself disliked; but possibly he is accustomed to getting himself disliked.

When I was speaking last Friday I referred to the refusal of many Canadian industries to recognize and negotiate with the accredited organizations or trade unions of their employees. I made particular reference to Canadian Celanese Limited, who not only refused to recognize the organization of their employees but evidently were proud of the fact, because they advertised their eighteenth century concept of social behaviour in the public press. I also mentioned that while sometimes we have reason to complain—as I shall to-night—of conditions in my own province, the attitude of the government and of some industrialists has progressed beyond the attitude to which I referred. Indeed, attempts are being made to get employers to recognize their responsibility for industrial peace and social progress. I have before me a copy of an address delivered before the British Columbia branch of the Canadian Manufacturers association by the provincial minister of labour, Hon. George S. Pearson, in which I find this paragraph:

> The policy which has prevailed for such a long time, that the workmen must accept the conditions laid down by the individual employer or get out, must change. Industry is as dependent upon labour as it is upon capital and management. Industry cannot operate without labour. This being the case, labour is entitled to be considered as an integral part of the

industrial operation, and as such should be placed in the position by all employers of having the right to sit around the table with its employers and discuss its problems.

I for one appreciate that attitude on the part of the minister of labour of British Columbia. I hope he will do everything in his power and that in this he will have the assistance of the federal Minister of Labour (Mr. McLarty), as I believe he will, to have that principle accepted in all industries, because I am satisfied that it is the first step to industrial peace and social progress.

I wish now to refer to a situation in my own province which I think is of particular importance at this time. When war broke out, I was of opinion, as I still am, that this country should organize production on the highest scale possible, and in that way make our greatest contribution to the struggle that is at present going on in Europe. And when I speak of production I do not refer only to aeroplanes, tanks and other war supplies; I refer to food and clothing as well. Under present conditions there is no danger that we shall have too much food in Canada. We should produce food in abundance, to supply the needs of our own people and our allies. There should be no reason why the unemployed in this country or the people of the allied countries should have to go on short rations. In war time, food rationing by the warring nations is understandable; but for the last ten years in Canada hundreds of thousands of our unemployed and low paid workers have been on very short rations indeed, and to me that is not understandable.

I wish to bring to the attention of the committee a letter I received a few days ago from the secretary of the Pacific Coast Fishermen's Union of British Columbia. I believe other hon. members from British Columbia have received copies of this letter as well. I wish to draw this matter to the attention of the Minister of Labour in this way in order that he may use whatever means he considers expedient to help bring about a solution of the problem. The letter reads:

Dear Sir:

We are addressing this letter to you and some of your colleagues, feeling sure that you will give us your support. Knowling full well, the importance of food production in war time, we are asking you to aid us in avolding anything that will curtail production at this critical time.

The salmon fishing season on this coast is just about to commence and except for one category of salmon, the cannery operators have refused to make known to the fishermen any of the prices they intend to pay. For this reason the negotiations are at a standstill.

For bluebacks, the one fish on which they have named a price, they offered 25 per cent less than last year. When the 30 per cent increase in the cost of gear and the rise in cost of living is taken into account, the impossibility of operating a fish boat is evident. The blueback season commences on June 1st, and by the time you receive this some time may have already been lost unless the offer is raised.

If this 25 per cent cut indicates what we may expect for other fish then the situation is bad indeed, and we ask your aid to bring about a settlement before the main season starts.

Mr. McLARTY: I have been trying to follow my hon. friend, and I wonder if there is a basis of relationship as employer and employee that would give the Minister of Labour any jurisdiction whatever? I ask that because frankly I am naturally interested in it. I do not see exactly what I can do as Minister of Labour unless that relationship exists.

Mr. MacINNIS: I have just about finished reading this letter, and then I shall read briefly from another one which will give the situation in that regard. I continue reading:

We feel that if the fishermen are willing to fish for last year's prices despite the rise in the cost of gear, and so on, canners should be willing to forego something, especially at a time like this, when labour hours are so essential to the successful prosecution of the war. The canners do not look with favour on our suggestions of arbitration, or government control of industry, but we think that if industry must close because private effort cannot cope with war conditions, then our government should intervene to make operation possible.

That is signed by the secretary, A. V. Hill, and is dated May 31. Since that date I have received another letter which I shall not read, but the contents of which I shall summarize briefly. At first the provincial minister of fisheries told the members of the union that legislation providing for arbitration was available when they desired it. But since that time he has informed them that the arbitration law now on the statute books applies only to fish caught with nets. I understand that these are troller fishermen, and that the arbitration legislation does not apply to them.

I may be told that this matter comes under provincial jurisdiction, and that there is nothing that this government can do. But in a great many matters to-day, in these abnormal times, Canada is being governed not by the normal dominion-provincial relations. In many respects the War Measures Act has displaced the British North America Act as the constitution of Canada. Here then is a condition where an important industry in British Columbia, an industry producing one of our most important foods, is being held up. I would suggest that anything the government can do, any pressure it can bring to bear, should be applied. I believe it has some influence, even if it be only moral suasion, that it could use to get these people

working, so that the people of the province and of the Dominion of Canada and our allies may benefit.

It seems intolerable that in these times either employers or workers should hold up essential production by refusing to arbitrate their differences, even if there is no legislation providing for arbitration. As a matter of fact, arbitration does not depend upon legislation; it depends upon the willingness of the people concerned to come together and to agree to arbitrate any differences they may have.

On many occasions in this house, and again to-night by the hon. member for Trinity (Mr. Roebuck), mention has been made of the inadequacy of relief standards. There are available very few figures or statistics on the amount required by an average family to maintain health and self-respect. On a number of occasions attempts have been made to obtain such figures, but they have not been worked out on a scale large enough to be of great value. Quite recently the welfare council of Toronto worked out a cost of living basis of the kind I have in mind. After considerable investigation, their conclusion was that it required $28.35 a week to cover the bare essentials for the maintenance of health and self-respect of a family of five, consisting of two adults and three children with an age range between six and twelve years. In the charts furnished we find complete figures for the various articles and services concerned, and I would suggest that any hon. member interested in the matter would find it worth while to study the figures.

I have been unable to find in the whole range one instance that I would consider not only not too high, but really high enough. The committee which prepared the figures stated that the food would have to be planned, purchased and cooked with the greatest possible care. Amounts set aside for cultural advancement and recreation are very small indeed. No allowance is made for what has now become general among men and women, namely tobacco, nor is there any provision for the purchase of alcoholic beverages. No allowance is made for telephones.

I do not know of any province which has a relief scale approaching the figure of $28.35 a week. Not only is our relief scale far below that amount, but in many instances wages in Canada fall below it. The Canada Year Book for 1939 shows for the year 1936, the latest year for which complete figures are available, that the average annual income of workers throughout manufacturing industries in Canada amounted to $896. I would suggest that an effort be made to work out a budget that would give a decent living, and that as nearly as possible we should provide relief recipients with payments approximating the sum arrived at.

Beginning my observations on the resolution last Friday, I said I was going to stress two points, namely, the need for economic planning and the necessity for social justice in dealing with the problem of unemployment. Again I stress those two points. In doing so, I think I can not do better than read a brief paragraph from an article by Major Clement Attlee, former leader of the British Labour party and now a member of Mr. Winston Churchill's government. This excerpt is from an article written by Mr. Attlee shortly after the outbreak of war. He said:

> The labour party, then, in taking its stand against Hitlerism, is defending civilization against barbarism. It is seeking to preserve the heritage of the past and the hopes of the future. For many centuries the treasures of thought and art, and the beautiful things in the earth, have been mainly the preserve of the few. Now, when the rise of labour has seen the doors opening to the workers, we will not allow them to be closed by the domination of barbarism. We are resolved to defend our freedom and democracy against all attacks, whether from without or within. We value the political, religious, and personal liberty which our forefathers won for us. They can only be maintained by basing them on social justice. Without social justice there can be no real peace. It is the denial of social justice in the countries of Europe which has been one of the chief causes of the present condition of things.

I agree with Mr. Attlee. We won the last war, but it availed us nothing because we did not use the military victory to promote social justice. The peace was used for entirely different things; it was used to preserve class interest and class privilege. Under the circumstances the results are natural. The same thing will happen after this war if we do not use the military victory, which I hope will be ours, for just ends. A military victory is not an end in itself. At the most it can be only a means to an end. That end must be social justice. Only a system based on social justice will end unemployment and bring security and freedom to all. We should not wait until the end of the war before we begin to build social justice in Canada.

Mr. BROOKE CLAXTON (St. Lawrence-St. George): Mr. Chairman, the last few days have made everything not directly connected with our immediate task fade into insignificance, and yet I feel that hon. members would wish me to use this first opportunity of addressing this committee to make one acknowledgment. I want to say how deeply I appreciate the honour of representing the

Montreal constituency of St. Lawrence-St. George. The responsibility is a heavy one. It will be recalled that this division has been represented by such men as Sir George Etienne Cartier, D'Arcy McGee, Senator Ballantyne, the late Sir Herbert Marler and the Hon. Mr. Cahan. I feel that hon. members on this side of the house will unite with me when I endeavour to pay tribute on behalf of my constituency, of this house and of the country to the services rendered to his country by Mr. Cahan. Those services extended over the almost unparalleled number of fifty years. Now he is enjoying a rest from immediate public service, one which has been as well earned as it was unsought.

At this time I do not feel that I should take up the time of the committee in discussing many of the matters which might be discussed under this resolution. I am sure we all feel that we should devote our time and strength to the one cause we have at heart, the getting on with the war. In the few minutes which I propose to take, I intend to deal with one aspect of the unemployment question. Yesterday I had an opportunity of discussing with some men in Montreal a situation which might arise if it became necessary for our industrial plants to work at full capacity. They told me that in a short space of time there might well be a shortage of skilled and semi-skilled labour. At the same time there is in Montreal any number of unemployed single young men between the ages of sixteen and thirty. I join with hon. members who have spoken already, particularly the hon. member for Davenport (Mr. MacNicol), in drawing to the attention of the minister a matter which no doubt he has under consideration.

Everything possible should be done at this time to train young unemployed men in the use of machines, the reading of blue-prints and other work which would be necessary to fit themselves to take their places in our factories. I am told that a three months' course is all that is necessary. Our factories want young men from the technical schools. The industrialists of Montreal are well satisfied with the work which the technical school in that city is doing, and I am sure the same thing applies to other schools throughout the country. Upon inquiry it was found that the technical school in Montreal is filled to capacity. This year it will be able to qualify only some hundred men to take their places in industry, whereas the needs of Montreal might well run into the thousands.

There must be some new means of training the unemployed youth of the country. We are all familiar with the splendid work that has been done under the youth training plan, but the results in Montreal were not substantial. Some 9,000 young people between the ages of sixteen and thirty were eligible in 1938, but only 853 seemed to show any interest in the plan. In 1939 there was a registration of 6,654 young people, but because of lack of cooperation on the part of the provincial government nothing was done that year. To-day there are undoubtedly some five or six thousand young people in Montreal who would be eligible for training under this plan.

There are four ways in which this training could be given. The first is through the technical schools. While the Montreal technical school is filled to capacity at the present time, it might be that ways and means could be provided for keeping this school open during the summer months in order to prepare young men more speedily. The second method is industry itself. The hon. member for Davenport and others have referred to the possibilities of cooperation between industry and the government. The third means has not been referred to as yet. Why could not the universities of Canada be made available for this purpose? They have fully equipped shops and draughting rooms. I believe without exception they have placed their resources at the services of the country, and it seems to me that the minister and the universities could easily work out a plan whereby these young people could be given the training required to fit them for active work in the factories. The fourth means of providing this training, one which will no doubt receive the consideration of the government, is the development of special training schools in which people could be brought to the required degree of skill and knowledge necessary to take their places in industry. At this time, Mr. Chairman, everyone in this country is prepared to play his full part. So far there has been no slacking. There is no shortage of recruits, no shortage of labour. But from now on we may have to use every possible means to utilize the great fund of good-will, the earnest desire to be of service, in every possible direction, and I suggest that there is available in these young people, through training, a great source of help for our industries and ultimately for our war effort.

We hear a good deal about victory being the whole thing, that nothing else matters but victory, but I suggest to this committee that everything matters to-day in order to bring about victory. The work that each one of us does in every possible direction added together will make the great effort of the nation and

bring about the result we all desire. We cannot all fight again on the front line, but there are front lines in Canada to be fought on, lines in the mines, the factories, the workshops and every branch of our activities throughout the country, and I suggest that the men and women of Canada are as willing to fight at home as our soldiers are to fight abroad.

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Chairman, I wish to speak only briefly on this resolution. I regret that the Minister of Labour (Mr McLarty) has not yet outlined in any detail the principles underlying or the manner in which he will carry out the spending of the moneys to be appropriated under this resolution or indicated the works to be carried out by his department to provide employment. During the debate on this resolution last week, several hon. members from the western provinces gave to the house details of the distress in agricultural districts in the provinces of Alberta and Saskatchewan, details which must have shocked many hon. members; but I should like to draw to the attention of the minister the fact that these conditions are not peculiar to western Canada but apply also to certain areas in Ontario. The hon. member for Trinity (Mr. Roebuck) in his speech to-night made mention of the distress that prevailed in his riding in Toronto. I should like to urge the Minister of Labour, in considering the plans of his department for the spending of moneys under this resolution, not to overlook the distress that prevails in many of the rural sections of Ontario.

The riding which I have the honour to represent, Hastings-Peterborough, consists of twenty-seven rural townships. Of these twenty-seven townships nineteen are unsuited for farming or agricultural pursuits except in small isolated areas. This is due to the large number of ranges of hills, large rock formations and poor type of soil. These townships, like all the rest of Ontario, were once covered with very fine forests. These have practically disappeared, and at the present time there is very little timber left for the settlers. The settlers in these townships are practically 100 per cent of British descent. They are not the type of citizen that wants relief. All they ask for is work. They desire the development of the natural resources within the counties of Hastings and Peterborough, and if these resources are developed they will create work for everyone. There are large mining areas to be developed. A great reforestation scheme could be undertaken, and if the tourist industry is developed it will provide work for many people. The conditions that apply to these two counties of Hastings and Peterborough apply to many other rural sections of Ontario, but I shall deal with these two counties in particular because I am more familiar with their conditions.

In discussing roads I realize, Mr. Chairman, that the building of roads in Ontario comes within the jurisdiction of the province and of the individual counties. But I think it will also be realized that in many of these rural areas the building of roads is one way in which money can be spent to provide employment and relief. In the county of Hastings, for example, which is one of the largest counties in Ontario, there are some 282 miles of county roads, administered and kept up by the county. During the present year the county will spend on these roads the sum of $75,000, being the amount approved by the provincial department of highways. To show you, Mr. Chairman, the large amount of money that is spent by a county for road maintenance, the road from Madoc to Belleville, a distance of twenty-five miles, is paved throughout except for some ten miles, and the yearly maintenance of this unpaved ten miles of road is $7,000, which does not take into account the cost of snow removal. Naturally the counties are anxious to pave their roads, but in the county of Hastings we are able to pave only one and a half miles of road a year. On the paved portion of the road there is no annual maintenance charge except for the cutting of weeds.

I would urge upon the Minister of Labour that when his department considers the spending of moneys granted under this resolution, he keep in mind the counties of Ontario, and in particular the counties of Hastings and Peterborough, with their hundreds of miles of roads which cannot be properly developed at the present time because of lack of funds. I suggest to the minister that the road conditions in these two counties will serve as an example of tne great advantage to be derived from a plan being worked out between the federal Department of Labour, the province of Ontario and the different county councils for the development of main county roads. Such a plan would create much employment, open new mining areas, and do much to aid the tourist traffic, which in turn would benefit hundreds of settlers in these two counties.

The municipal councils of these townships are unable to pay out much in the way of relief. When one considers that some townships have a total assessment of less than $60,000, one can readily understand why some municipal councils can do little in the way of relief. Taxes in all these municipalities are very high, and within the last few years

several writs have been issued by the county against certain townships for arrears of county rates. Indigent accounts for the county of Hastings amount to between $20,000 and $30,000 a year, and each year there are thousands of dollars of unpaid taxes and many properties are sold for tax arrears.

Certainly there is very little, if any, opportunity for the young man or woman, and little prospect for the future. These nineteen townships in the counties of Hastings and Peterborough constitute a solid block which present a wonderful opportunity for a reforestation scheme, yet to date no such plan has been announced. The land is ideal for the planting of trees, because there is plenty of moisture, but to-day we find that the top-soil is being rapidly carried away. During the last three weeks there were very heavy rains throughout this district, and the lakes, creeks and rivers were at flood stage; in fact the water was higher than after a spring break-up. The reason for this is that the forests have been removed and the greater part of the rainfall is not absorbed into the ground.

These two counties of Hastings and Peterborough, with their hundreds of lakes and rivers, present endless possibilities for the development of the tourist trade. But to attract these tourists we need development of the roads, because the tourist of to-day demands a road to his camping place. Running through the county of Hastings is the only through road east of the city of Toronto leading from the No. 2 highway to Algonquin park or to Callander. This road is the shortest route to the park or Callander for all tourists entering Canada by Ivy Lea bridge. Here is a great opportunity to open up this section to United States tourists, because there is in this county some of the finest scenery in the world. It is a county where every kind of fish is found in large quantities and where game is abundant. The opening of proper roads for tourists would do much to relieve the distress of hundreds of settlers; it would do much to increase the provincial revenues, and it would bring great benefits to the many people engaged in trade in these two counties. At the present time this main road is partly provincial highway, partly a county road, and partly a township road. Until the road is completed and is shown on the tourist maps marked in red as a highway, few tourists can be expected to be attracted to this area.

In the southern part of these two counties will be found one of the finest agricultural districts in Ontario. To-day the farmer in this district is at a loss to know what the government wishes him to produce. The farmer has no plan to guide him in production. Many of the farmers in these two counties have recently increased the number of hogs being raised, only to find that the price is lower than in normal times. Surely in a time of war it is one of the duties of the government to show some leadership in such a vital industry as agriculture.

The farmer, like every other citizen, is ready and willing to do his part in producing the required foodstuffs required in time of war, but he needs some plan or guidance as to the nature of the foodstuffs required. What encouragement to-day is it to the farmer to increase his production of hogs only to find that the government is permitting the entry of millions of pounds of pork from the United States? It is hardly necessary to repeat in this chamber that agriculture is the back-bone of the country and that until this industry is put on a proper basis, there will be distress and unemployment among the agricultural workers.

Enlistments to date in the counties of Hastings and Peterborough have been very large, and there are many more eager and willing to enlist if they are given an opportunity. But even these enlistments have by no means taken care of the hundreds of unemployed. If this government would at once have a national registration of every man and woman in the Dominion of Canada, it could then have a plan or basis whereby every man and woman would be given an opportunity of performing the war work best suited to his or her qualifications. To-day, when the allies need in unlimited quantities every kind of munitions and other supplies, there are roaming about the country looking for work hundreds of men qualified to work in munition factories and other trades which could make war supplies. I ask the government, why not put these men to work in producing supplies? If this is done, a large part of the unemployed problem will be solved. Why continue spending huge sums each year to alleviate unemployment and provide relief when there is a great need of speeding up the manufacture of war supplies; for I think we are all agreed that the combined efforts of every man and woman in Canada will be needed in our undertaking to carry through our part in this world struggle?

Since it is necessary to make provision for unemployment and agricultural distress, I should like to make a few suggestions to the committee and to the Minister of Labour:

First, that the government undertake at once a national registration of every man and woman in the Dominion of Canada.

Second, that the Minister of Labour give serious consideration to a plan of flood control and a reforestation scheme in this area of nineteen townships in the counties of Hastings and Peterborough.

Third, that the Minister of Labour consider the great possibilities offered by the counties of Hastings and Peterborough for the development of tourist traffic from the United States by opening up roads, and in particular, by the completion of the road through Hastings county leading to Algonquin park.

Fourth, that the Minister of Labour consider the question of special grants for improving and opening roads to mining properties now being developed in these two counties.

Mr. E. G. HANSELL (Macleod): I rise particularly to ask the Minister of Labour (Mr. McLarty) a question, which I believe is extremely fundamental, in respect to the resolution we have before us relating to unemployment and relief. I desire to comment a little for the purpose of elucidating that question.

In days gone by, we heard many speeches in this chamber on unemployment and relief. Even during this session of parliament there have been many speeches on the same subject. The other night I attempted to give one hon. member a bit of a dressing down because he endeavoured to criticize severely the group with which I am associated. This evening, however, I should like to compliment and to thank another hon. member—I refer to the hon. member for Trinity (Mr. Roebuck)—for the kind remarks he made concerning the progressive groups which sit in this quarter of the house. I can assure him that such comments are not often heard here, and, coming as they do, they are particularly refreshing. I believe that if there existed in this chamber a more kindly disposition towards the progressive groups in this corner, we might make further headway with our discussions; we might get a little closer together.

I have listened with a good deal of interest to several of the speeches on this resolution. Hon. members have risen to call for an enunciation of the policy of the government on the problem of unemployment. The government has been charged with a lack of plan, and some speakers have passionately demanded that it should do something. Well, we have been urging the government for a good many years to do something, and such a resolution as we are debating at this time comes up for discussion every session; it would seem to be the best that the government has to offer the country. I have been wondering why such a motion should have to be debated in this chamber at this particular time. There might have been some reason for such a resolution, say five years ago, after the government had been elected in 1935. They were feeling their feet and perhaps contemplating some type of action, and such a resolution would have served in those days. But after five years, nearly six years, of administration, it does seem to me that the government should have something a little better than this to offer the people of Canada.

I remember that in the election compaign of 1935, nearly six years ago, I referred to an article written by the present Prime Minister of Canada (Mr. Mackenzie King) and published in *Maclean's* magazine of September 15, 1935. Of course, even in those days, we had this serious unemployment problem. The Liberals who were stumping in those days were going to deal with this unemployment problem; the whole country desired to know how they were going to deal with it, and I am going to read from this article. It was not a speech but an article written after a good deal of contemplation, meditation and thought, and it appeared over the pen of the present Prime Minister. It was entitled "The Issues as I See Them." I am inclined to think that *Maclean's* magazine publishes a similar article with the same title prior to every election; at any rate this is the one that appeared prior to the 1935 election. This is what the leader of the Liberal party said at that time:

> The Liberal party believes unemployment is Canada's most urgent national problem. It would deal with the present emergency conditions through a representative national commission which would cooperate with the provinces and municipalities in the administration of unemployment relief and in an endeavour to provide work for the unemployed.

This employment commission was created and it did its work, but its work fell far short of what that statement purported it was going to do. As far as I am concerned the employment commission was little more than a committee for the tabulating of statistics throughout the country on matters of relief and unemployment. It did not deal with the situation; and if there was any merit in any of the recommendations the commission made, certainly we have not seen very good results from those recommendations.

I said I was wondering why such a resolution was on the order paper at this particular time. That the government has this resolution on the order paper is significant of the fact that the government expects unemployment to continue. Moreover, I suggest that the fact that the resolution appears every year shows that the government is not dealing with the

matter in any adequate way. Such a resolution is self-evident of the fact that something is radically wrong in Canada. If a doctor has a sick patient on his hands, he never attempts to prescribe without first diagnosing the case.

An hon. MEMBER: That is, a good doctor.

Mr. HANSELL: Well, a good doctor. I think it behooves us to ask, if we diagnose the case, just why it is that this problem exists. I would ask the Minister of Labour that question. A year or two ago the government might have answered, "Well, there is a depression on in the country and unemployment is a result of business conditions." I do not think we can very well say that to-day. Surely the government would not say at the present time, when the British empire has its back against the wall, that there is a business depression on. That could not be the reason why unemployment exists to-day. It could not be that parliament has not passed proper legislation. I am reminded of the impression that we were given some time ago, that under the War Measures Act the government had the power to pass pretty well whatever legislation it desired; and that being the case, after eight months of war, it does seem to me that we should not have any unemployment or relief problem.

Speaking of legislation and the power of the government under the War Measures Act, I wonder if I might read a short paragraph from this renowned document in these red covers. There appears at the top the statement, "This document is the property of His Majesty's government in Canada," and it is known as the Defence of Canada Regulations. This is, of course, as we all know, a report given by a sort of interdepartmental committee whose terms of reference required them to look into some phases of legislation and to come back to the government with a report as to just what measures should be enacted should a very serious condition arise in the country. Let me read from page 3, parargaph 4, War Measures Act:

> Pursuant to our terms of reference we have surveyed the position as regards the legislation which would be required in the event of grave emergency and we have reached conclusion that little in the way of special legislation in parliament will be required. Under the provisions of the War Measures Act, chapter 206, revised statutes of Canada, 1927, the governor in council "may do and authorize such acts and things and make from time to time such orders and regulations as he may, by reason of real or apprehended war, invasion or insurrection, deem necessary or advisable for the security, defence, peace, order and welfare of Canada." It is clear, therefore, that this statute confers upon the executive ample authority to take pretty well whatever action might be found to be necessary to meet the exigencies of war or other emergency. There is, however, one specific exception to this general rule, namely, finance.

I should like to point out to hon. members that apparently the government could do about whatever it wanted under the War Measures Act, except that it must keep its hands off finance; no, it must not touch that.

Why does there exist in Canada to-day a condition that requires a resolution of this kind? I said a moment ago that it could not be because there is a business depression. I have just referred to this paragraph which would indicate that it cannot be because the government is unable to act. I am wondering if it could be because we have no raw materials in Canada. I hardly think that could be given as a reason for unemployment. I am wondering if perhaps the reason might be that we have no factories in Canada. I do not think that is a good reason; I believe we have ample factories to meet the needs of unemployment in these days. Can it be that we have no genius or engineering skill in Canada? I do not think that could be given as a reason. Perhaps it is because we have no money. Of course we in this corner of the house have a certain money philosophy. I am not going to refer to that to-night, but it has been said over and over again of late that since the war began we have plenty of money. This parliament is going to be asked to vote in the neighbourhood of one and a half billion dollars. Therefore even under orthodox finance I do not think the reason for unemployment could be that we have no money.

So what to-day is the fundamental reason for so much unemployment in Canada? That is my question to the Minister of Labour. It seems to me that to diagnose the case properly he should be able to give to the house and to the people of Canada the reason why unemployment exists in this country to-day. I am not going to tell the minister how to answer the question; I believe he is quite capable of putting into words whatever may be in his mind on the subject. But I would ask him not to answer by saying that there is unemployment in Canada because people cannot get any work. That does not answer the question. We want to know the fundamental, root cause of unemployment in Canada to-day. If we know the cause, perhaps we can remove it. If the minister wishes to take a little time to think over the matter, that is all right with me; but I hope that before this debate concludes, the minister will give an honest answer to this question: Just what is the cause of unemployment in Canada to-day?

Mr. H. H. HATFIELD (Victoria-Carleton): I do not desire to oppose the resolution, but rather I wish to speak of the way in which relief is carried on in New Brunswick. At page 5 of the report of the commissioner of unemployment relief I find this statement:

> At the request of the province of New Brunswick, which has adopted a policy of not granting material aid generally but rather to require those in need of assistance to perform some form of work, an agreement was entered into with that province by which the dominion agreed to contribute fifty per cent of expenditures incurred by the province during the period April 1, 1939, to March 31, 1940, inclusive, in carrying on certain provincial undertakings.

This request might have been made in good faith, but it was not so carried out. Instead of requiring those in need of work to perform some service, it was quite impossible for those in need of work to secure jobs on certain road contracts for which this money was used. Almost twenty per cent of the labour used on the roads was brought in from outside the province by road contractors from Montreal and other cities. I know of a great many people in my constituency who were urgently in need of work in order to earn enough money to feed their families but who were refused the opportunity.

According to this report it would seem that there was no unemployment and that there were no people on relief in New Brunswick. From what I have seen of the other provinces, however, and what I know of New Brunswick, I consider that my province has problems in respect to relief more serious than those of any other province in Canada. A great many of the municipalities have become bankrupt through carrying this tremendous load of relief. They have not been able to collect taxes from the agricultural counties because agricultural products have been selling for less than the cost of production. According to this report the government of New Brunswick received $549,960.10 from the federal government in lieu of relief for the year ended March 31, 1940. Very little of this money came into my constituency, and our municipal council had to carry the burden of relief, social services and hospitalization through direct taxation on our people.

The same arrangement was made in 1938 with the provincial government of New Brunswick, but of the money contributed by the federal government practically all that came into my constituency was paid to a bank under a guarantee in connection with a lumbering operation. This lumber firm went a good many thousand dollars in the hole, and money was taken out of the relief fund to make up that amount to the bank. But the people working on this particular lumbering operation did not receive their wages; neither did the farmers who supplied hay, oats, beef, pork and other products to this lumbering operation receive their pay. That is a sample of how relief has been carried on in New Brunswick. The bank got the relief. In 1939 stumpage was paid the New Brunswick department of lands and mines from relief money provided by this government, amounting to $20,770.20. The bank of Nova Scotia was paid a certain amount towards the cost of unloading from cars pulpwood en route to Germany. The New Brunswick telephone company was paid a certain sum towards the cost of removing telephone poles from the highways. A discount on debentures issued by the provincial government, totalling $28,638, was paid out of this fund, together with expenses in connection with debentures to the amount of $2,136.

It is not relief legislation that is needed at the present time to help agriculture and unemployment. Rather it is a measure to employ every employable man in our factories in the manufacture of tanks, planes, motorized equipment and ammunition for our allied armies. We want to put our workers in a position where they can purchase food, clothing and farm produce. In that way we would give our farmers a chance to exist, and they would be in a position to spend money in Canada.

In a time of war every person should be at work. We have a great opportunity to reestablish our farmers on the land and to give them a profit over their costs of production. For the past ten years our farmers have been feeding the people at less than cost of production. They are the largest employers of labour, when they are given something more than the cost of production. But we know that in the last few years they have only existed on the land and have not been in a position to employ outside help. Some of them have had to keep their children out of school to help on the farms. They have not been able to give employment to the unemployed, and to the people on relief in their own communities.

I say: Give the farmers a chance and there will be no more unemployment relief in Canada. I am absolutely opposed to turning over moneys voted by parliament to any provincial government to use in their own political ways. I consider the municipal councils in Canada the only public bodies which would distribute fairly to all concerned

any available relief moneys. Municipal councils are the only independent legislative bodies in our dominion to-day.

Before closing, I should like to submit to the committee a suggestion which I believe would be highly beneficial to agriculture. One reason why the farmers are in such unfortunate circumstances to-day is that many of them have lost their credit, and cannot secure further credit from the banks or other financial institutions. I do not believe in extending long-term credits to the farmer, but I do believe in seasonable loans. And when I say that, I mean the farmer should be financed to buy his seed, fertilizer and other necessities, and should be financed during the crop year at a low rate of interest, such loans being repayable after the disposal of the crop.

I suggest two classes of short-term loans. One would be a cooperative farm loan such as is being used in the United States. There are joint recipients. The members of a farm organization are liable as joint guarantors for an amount equal to their own borrowings. This led to a careful selection of members. A farmer was accepted as a borrower only if, in the opinion of the society officers, he was a man of integrity and a good farmer.

Members were required to take stock in proportion to their borrowings. Profits and losses were accordingly shared. Each borrower was financially interested in every loan. This plan could become operative among a better class of cooperative farmers who might find themselves unable to borrow from the banks, even for seasonable crops.

Then, there is another class of farmer who has grown farm produce at less than cost of production, and to-day he finds his credit completely ruined. These are known as relief farmers. I do not believe a farmer should be kept on relief; he should be placed in a position whereby he can carry on without it. I am suggesting the setting up of another form of loan for this class of farmer. In the United States such loans are under the supervision of their emergency farm loan board. Applications are made to the board for small loans to amounts not in excess of $300, and these moneys are used in connection with the handling of smaller crops during the crop season. The board is permitted to make further loans to buy machinery and live stock which in the opinion of the board is necessary, and for such services a chattel mortgage is taken.

If these two farm credit organizations are set up, I would consider that the legislation now before the committee would be unnecessary. The two measures I have suggested would relieve agriculture, and the factories engaged in the manufacturing of war supplies would take care of the balance of the unemployed. I would impress upon the government that every effort should be made to have all possible war materials manufactured in Canada so that our money may be kept at home. Otherwise it will be impossible to secure by taxation the large sums of money required to carry on our war effort.

Before taking my seat I would call to the attention of the committee the document issued by the farm loan board to any farmer wishing to borrow money. In my opinion this indenture which the farmer must sign is a vicious document. If a farmer is behind on his payments he becomes a tenant and brings himself within the provisions of the Landlord and Tenant Act. Any goods on his property can be seized and sold, without notice. He also waives all right of exemption afforded him under the provincial statutes. One paragraph reads as follows:

> And the mortgagor hereby waives the benefit of all statutes relating to exemptions from seizure and distress, now or hereafter in force in the said province.

This form of mortgage on both real estate and personal property has ruined the credit of the borrower. He cannot get credit to-day. Under those circumstances how can we expect him to carry on, meet his payments and repay the principal sum?

Clauses of that kind should be removed from the farm loan mortgage. The Canadian farm loan board was set up to help keep the farmer on the farm, not to ruin his credit. I repeat the suggestion to those in authority that clauses such as the one I have read should be taken out of farm loan agreements.

Mr. CRUICKSHANK: Mr. Chairman—

Mr. McLARTY: I wonder if the hon. member would excuse me. I think the committee will agree we have made excellent progress to-night, and as I understand there are two departments to go into supply I would move that the committee rise, report progress and ask leave to sit again.

Mr. STIRLING: Before the motion is put, Mr. Chairman, I raise this point of order: May I draw attention to the fact that since eight o'clock the discussion has been out of order. This afternoon the house was in committee debating a resolution standing in the name of the Prime Minister. He reported progress, and made a statement when his honour was in the chair. At eight o'clock we jumped the order of "orders of the day" appearing at page 5 of the order paper, and in some way or another we have found

ourselves proceeding with order No. 6, the resolution dealing with the alleviation of unemployment and agricultural distress. It appears to me that if the debate this evening is to be regularized, some definite action to put it right will have to be taken.

Mr. CRERAR: I was not in the house at eight o'clock.

Mr. McLARTY: My hon. friend will remember that the Prime Minister announced that we would go on with this order to-night.

Mr. HARRIS (Danforth): But the orders of the day were not called.

Mr. STIRLING: Neither the Prime Minister, the Minister of Labour nor I can change the order of the orders of the day. The orders of the day were not called. Therefore, strictly speaking, the discussion since eight o'clock has been out of order.

Mr. CRERAR: I was about to observe that I was not in the house at eight o'clock. I did not arrive until a few minutes after that time. I was not aware that the orders of the day had not been called until my hon. friend drew attention to the fact. I do not think there is any question about the point of order, and it is well that my hon. friend has raised it. In my mind there is no doubt as to the propriety or the legality, if I may use a lawyer's term, of our proceeding in the manner suggested. I take it that there will be no objection to that procedure. My hon. friend has certainly done the right thing to draw the attention of the committee to this because we should certainly proceed properly and in order.

Mr. STIRLING: Then do I understand that when Mr. Speaker is again in the chair, the orders of the day will be called?

Mr. CRERAR: That could be done.

The CHAIRMAN: I was not here at eight o'clock, but I am told that at that time the Speaker was in the chair and called order No. 6. He then left the chair for the house to go into committee of the whole. In my opinion that procedure was regular. At six o'clock progress had been reported from the committee of the whole and there was then a motion for the adjournment of the debate.

Mr. STIRLING: I defer to your expressed opinion, but I would point out that when progress was reported on the resolution standing in the name of the Prime Minister we then reached a certain point on the order paper. If we were to follow the order paper, the next order would have been the next resolution, which stands in the name of the Prime Minister. Then there is a resolution standing in the name of the Postmaster General and another one in the name of the Minister of Munitions and Supply. We would then have arrived in the ordinary course at the orders of the day.

The CHAIRMAN: I think the point raised by the hon. member is well taken. Does he insist on his point of order for the time being? It has been moved that the committee should rise, report progress and ask leave to sit again. In my opinion the point of order should have been raised before the motion to report progress had been made. In any event I think the point is a technical one, and perhaps the hon. member will not insist on it after he has brought it to the attention of the committee.

Mr. CRERAR: I believe the raising of the point of order at the present time is in itself out of order.

Mr. STIRLING: Oh, no.

Mr. CRERAR: The point raised by my hon. friend should have been raised when the Speaker was in the chair and not when the house is in committee.

Mr. COLDWELL: Do we understand that if progress is reported, orders of the day will be called?

Mr. CRERAR: Yes, we can call the orders of the day.

Progress reported.

Mr. SPEAKER: Following the point raised by the hon. gentleman and in order to regularize the proceedings, with the unanimous consent of the house, the house will now revert to orders of the day.

MUNITIONS AND SUPPLY

REPORTED CONSTRUCTION OF TWO MUNITION PLANTS IN CANADA BY CANADIAN, FRENCH AND BRITISH GOVERNMENTS

On the orders of the day.

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to direct a question to the Minister of Munitions and Supply (Mr. Howe), and perhaps he can treat this as a notice and answer it to-morrow. Will the government amplify the statement issued yesterday by the director of public information regarding the erection of two munition plants in Canada by agreement with the British and French governments? As this seems to be an important and desirable change in policy, will the government inform this parliament regarding it at the first opportunity?

Hon. T. A. CRERAR (Minister of Mines and Resources): If my hon. friend will consent to allowing his question to stand as a notice, a reply can be given to-morrow.

MARKETING OF WHEAT

CEREALS IMPORT COMMITTEE—WHEAT BOARD ADVISORY COMMITTEE

On the orders of the day.

Mr. E. E. PERLEY (Qu'Appelle): Several days ago the Minister of Trade and Commerce (Mr. MacKinnon) stated in answer to a question asked by myself that in due course he would make a general statement as to the government's wheat policy, dealing particularly with the sale of 50,000,000 bushels to the United Kingdom and the closing of the Winnipeg grain exchange. Could he state now when that statement will be made?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, some days ago in reply to a question put to me by the hon. member for Qu'Appelle (Mr. Perley), I stated that the wheat futures market, the Winnipeg grain exchange, would remain open until the end of the crop year. Some time between now and that time the government will have to come to a conclusion as to what machinery will be set up to deal with the 1940 crop. When that decision is arrived at, a statement will be made to this house.

On Friday last the hon. member for Qu'Appelle directed a number of questions to me and I should like to make answer at this time. He asked me to inform the house who was acting in Canada for the cereals import committee of the United Kingdom. The cereals control board of the United Kingdom has no representative in Canada; they deal direct by cable. Mr. James Rank is the chairman of this board with headquarters at Godstone, Surrey, England. I cannot say definitely whether he is the chairman of the board or merely the man who deals with wheat.

The hon. member also asked whether James R. Murray of Winnipeg had been acting in any advisory capacity to the wheat board or to the government. Mr. James R. Murray was employed by the dominion government as chief commissioner of the Canadian wheat board from December 3, 1935, until July 20, 1937. He has not been employed by the government since that date. Since that time Mr. Murray has acted in no official capacity, advisory or otherwise, to either the government or the wheat board. There have been occasions when the personal views of Mr. Murray and others have been obtained on wheat matters.

The hon. member asked also whether it was proposed to appoint an advisory committee to the wheat board. On June 1, I made a statement that the wheat board had sold 50,000,000 bushels of wheat to the British government, and that the Canadian government had decided not to close the Winnipeg market, at least for the balance of the crop year. This naturally implies that there will be further discussions before the end of the crop year. It is our intention to discuss the appointment of an advisory board in the meantime.

Mr. PERLEY: Does the minister propose to bring in an amendment to the Canadian Wheat Board Act this year to provide for interim payments on participation certificates? Has he had any such recommendation from the Minister of Agriculture (Mr. Gardiner) for such legislation?

Mr. MacKINNON (Edmonton West): This question has been raised in the house before, and if I remember correctly, the Minister of Agriculture (Mr. Gardiner) stated that representations had been made to me as Minister of Trade and Commerce. I may say that that is correct and that the matter is receiving consideration.

SUPPLY

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

POST OFFICE DEPARTMENT

265. Department administration, including amounts required to pay allowances to typists, grade I, employed cutting stencils, in accordance with regulations approved by order in council, $438,000.

Hon. J. L. ILSLEY (Acting Postmaster General): Mr. Chairman, this item provides for the offices of the Postmaster General, the deputy and assistant deputy postmaster general, and the departmental branches designated —administrative services, public relations, equipment and supplies. The vote shows a decrease of $119,220, representing more than a 20 per cent cut from the previous year.

Mr. HOMUTH: Would the minister give us some idea of how the cut was arrived at at a time when postal services are busier than ever, with the possibility of increased expenses, increased salaries, and so forth?

The CHAIRMAN: The details appear on page 160 of the estimates.

Mr. STIRLING: But the details do not explain how this department has succeeded so notably in reducing the expenditure for temporary assistance.

Mr. ILSLEY: The temporary assistance is mainly required at headquarters, and there is a very large cut in the vote for that service. All I can say by way of explanation is that

all departments were warned by the Minister of Finance that they must cut down to the greatest possible extent this year, and the Post Office Department will try to get along on this small vote for temporary assistance this year. Some of the services of the department which have been extended in other years will not be extended this year; I am thinking particularly of the rural mail service. That will have some effect upon the requirements at head office. It may be necessary for those employed here to work longer hours and perhaps some overtime, but at any rate an attempt will be made to get through the year with this smaller vote for temporary assistance.

Mr. MacNICOL: That only accounts for a cut of about $21,000.

Mr. ILSLEY: Yes, that is all.

Mr. POULIOT: Is that for the inside or the outside service?

Mr. ILSLEY: Just the inside.

Mr. STIRLING: There is a very large cut in the item for mail bags. Could the minister explain why we need only slightly more than half what we needed last year for mail bags?

Mr. ILSLEY: A careful survey has been made of the mail bag situation, and it is considered that the number of bags on hand will enable the department to carry on the service without purchasing any considerable amount of new equipment. In these circumstances it was possible to effect a reduction of $70,000 in the item for mail bags.

Mr. HOMUTH: Are the mail bags made in the penitentiaries of Canada, or where are they made?

Mr. ILSLEY: The stock is purchased in the open market and the bags themselves are made in the penitentiaries.

Mr. PERLEY: I presume that rural mail comes under item 269.

Mr. ILSLEY: Yes.

Mr. PERLEY: Would the minister state what is the general policy or practice which the government is following with respect to the renewal of rural mail contracts? Is it a matter of patronage? Does the department take the recommendation of members? A great many of these rural mail contracts in my riding are at so low a rate that—

Mr. ILSLEY: If the hon. gentleman will permit me, this is not the item dealing with rural mail, and I suppose that if one rural mail matter is allowed to be brought up under this item, a hundred others will be.

Mr. ROSS (St. Paul's): There is a reduction of $119,220 in the whole vote for departmental administration, a reduction of $70,000 in the item for mail bags, and a reduction of $21,000 odd for temporary assistance. Where is the balance of the reduction? It seems odd to me that we should have a reduction in the item when we have, for example, many more post offices, much more space in the city of Toronto than we had before. Do we really need that building in Toronto now that we are cutting down? I should like a little fuller explanation of the reduction. I realize that we want to cut expenditures as much as possible in war time, but really this whole thing does not make sense to me. Take the reduction of $70,000 in the item for mail bags. Do we buy all our mail bag requirements in one year? Is there not some policy followed by the government in buying mail bags, or do we buy a large quantity just before an election comes on?

Mr. ILSLEY: The Toronto post office would come under another item. The largest item in the reduction of $119,220 is the $70,000 decrease in the item for mail bags. The department has been buying enough mail bags year by year to maintain a comfortable margin on hand, and it is felt that it would be safe enough this year to budget for a smaller amount than last year. It is felt that the department can carry on this service with the surplus it has on hand, together with this vote of $80,000 for mail bags.

Mr. CRUICKSHANK: Will a post office that was definitely promised about the first of March to be kept open, be kept open throughout the year?

Mr. ILSLEY: Would my hon. friend ask me that question under item 266, dealing with post offices? While I have no objection to trying to answer that question under this item, I am afraid that if we started discussing post offices generally we should never finish the item we are considering.

Mr. NICHOLSON: Does this item of publicity and advertising refer to advertising in connection with post office savings banks? I notice that the appropriation, which was $11,600 last year, is reduced to $7,000.

Mr. ILSLEY: No. This item does not cover that advertising or publicity. That is provided for under another item.

Mr. NICHOLSON: Under the other item it has been cut out entirely this year. I notice on page 167 of the estimates the item "publicity" in connection with this particular department does not carry any appropriation this year. My reason for raising the matter is that it seems to me that the form of publicity I have mentioned was a valuable service. I find in travelling through the country that the majority of people are not familiar with the splendid service which is being given in this connection, and I wondered if it could be advertised a little more extensively. There seems to be no provision.

Mr. ILSLEY: That is true. The appropriation is cut out entirely this year.

Mr. MacNICOL: What was embraced in the item "Magdalen islands news service" on page 161? It is now cut out.

Mr. ILSLEY: There was a press release, but its place has been taken by radio. Mr. Chairman, my colleague the Minister of Mines and Resources (Mr. Crerar) desires to propose one item before we adjourn to-night, and I therefore ask that this item stand.

Item stands.

DEPARTMENT OF MINES AND RESOURCES

134. Departmental administration, $160,045.

Mr. PERLEY: Does that mean that we are going to have fewer inspectors and surveyors this year?

Hon. T. A. CRERAR (Minister of Mines and Resources): Oh, no. My hon. friend is not at all on the right track in making that remark.

Mr. PERLEY: Possibly on some other item we will get on the right track.

Mr. CRERAR: The reduction of some $18,000 is due to the fact that there are some seven positions which will not be filled. In other words we are getting—

Mr. PERLEY: Pretty near the right track.

Mr. CRERAR: —on with seven less of a staff. There are some reductions in other items, including travelling expenses and sundries. This vote covers what might be described as the head office of the Department of Mines and Resources. Hon. members, at any rate those who sat in the preceding parliament, are no doubt aware that the work of this department is divided into five different sections, and in addition there is the administration of the Soldier Settlement Act. In the administrative services, under this vote, are those attached to the minister's office and the deputy minister's office; also those who have charge of the personnel section, the legal section, the editorial section; also the mail distribution for the department comes under this vote. Members of the committee, or at any rate some of them, know that the Department of Mines and Resources is housed in quite a number of buildings in various parts of the city. That involves a distribution of mail from the main office.

Briefly, that covers the activities of the department carried on under this vote. I am glad to be able to report that we have succeeded this year in making a substantial reduction in the administrative costs.

Mr. STIRLING: The minister is doing without a chief editor.

Mr. ROSS (St. Paul's): I realize and appreciate that what we are trying to do in war time is reduce expenses, but perhaps this economy hardly coincides with the request of the department that every effort should be put forth to increase production, for instance in our mines. I have been wondering whether this is a penny-wise reduction, remembering that since we need gold and other minerals, every effort must be put forth to get maximum production.

Mr. CRERAR: This vote has nothing to do with making mines produce or not produce. This is the general administration vote. The point which my hon. friend is making could more appropriately be discussed under some of the items immediately following which deal with the mines and geology branch, and I shall be glad to deal at that point with the question raised by my hon. friend. I believe it will be found upon examination, however, that we are making a very brave effort to keep up the basic work associated with our mineral production.

Mr. COLDWELL: Does the fact that mail distribution in the department is difficult account for the item, postmaster, mines and resources, $2,200?

Mr. CRERAR: Yes. All the mail addressed to the Department of Mines and Resources covering its quite varied activities is brought into one office. We call that a sort of post office for the branch, and from that office it is distributed to the various buildings throughout the city which house the staffs to which it should go.

Item stands.

Progress reported.

THE LATE HON. NORMAN ROGERS

STATEMENT OF THE MINISTER OF MINES AND RESOURCES WITH RESPECT TO FUNERAL ARRANGEMENTS

Hon. T. A. CRERAR (Minister of Mines and Resources): Mr. Speaker, the Prime Minister (Mr. Mackenzie King) has asked that the following intimation be given to the house concerning the funeral of the late Hon. Norman Rogers.

During the afternoon a private family service will be conducted at the family residence. The body of the late Minister of National Defence will be brought to the parliament buildings at 5 p.m. and placed in the hall opposite the main entrance. Shortly after 5.30 p.m., a brief service will be held there to be attended by members of the Senate and the House of Commons, by representatives of the diplomatic corps, by members of the defence council and by other officials and personal friends. At the conclusion of the service the cortege under military escort will proceed to the Union station.

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

Wednesday, June 12, 1940

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ARMOURED PLATE PRODUCTION—DOMINION FOUNDRIES AND STEEL COMPANY

Mr. BRUCE:

1. Did the government request Mr. Sherman, of the Dominion Foundry and Steel Company, of Hamilton, to come to Ottawa for the purpose of consulting him in regard to the ability of his company to produce armoured plate?

2. If so, upon what date?

3. Did he submit samples of armoured plate?

4. If so, were these samples tested and approved by the government?

Mr. HOWE:

1. Yes.

2. On many occasions, the most recent being February 13, 1940.

3. Dominion Foundries & Steel Co., Ltd., of which Mr. C. W. Sherman is president, had previously submitted samples to the dominion arsenals for ballistic testing only.

4. The samples were tested. Approval of the government was not asked.

TWEED, ONT.—DOMINION GOVERNMENT LANDS AND BUILDINGS

Mr. STOKES:

1. Are any lots of land owned by the dominion government in the village of Tweed, Ontario? If so, how many?

2. From whom were these lots purchased, on what date, and at what price?

3. Are any buildings owned by the dominion government in the village of Tweed, Ontario? If so, how many?

4. From whom were these buildings purchased, on what date, and at what price?

5. Are all government owned lots now being used by the government? If not, by whom, and on what terms?

Mr. CARDIN:

1 and 2. Part of lot 49 on the east side of Victoria street including the buildings thereon was purchased from Wm. J. Grier on April 23, 1937, for $2,500. This property was later transferred to Miss Mary Quinn in exchange for another property considered to be a more suitable site for the proposed public building. Subsequently, upon the decision not to proceed with the construction of the public building under present conditions, the Quinn property was, upon the request of Miss Quinn, transferred back to her for the Grier property.

3. Yes, a two-story brick building containing store and residence and a garage located on the Grier property.

4. Answered by Nos. 1 and 2.

5. The Grier property referred to in answer to queries Nos. 1 and 2 is not now being used by the government. The residence above store is occupied by squatter who has been notified to vacate. Garage used on authority of Miss Quinn by Mr. Frost who is vacating.

PARTRIDGE ISLAND, N.B., PUBLIC WORK

Mr. HARRIS (Danforth):

1. Was a contract awarded the Saint John Drydock Company, or a subsidiary of this company, for work on Partridge island, Saint John, New Brunswick, this year?

2. If so, what was the contract price?

3. Was such contract awarded after public tenders had been called for?

4. If not, were any firms asked to tender, and, if so, what were the names of these firms, and what were their respective tenders?

5. If such a contract was awarded to the Saint John Drydock Company or a subsidiary of this company, did this company sub-let this contract, or any part of it? If so, what was

the name of the contractor, and, if only part of the contract was sub-let, how much of it was sub-let?

Mr. CARDIN:

1. Contract awarded St. John Tug Boat Company, Ltd. of East St. John, N.B., for placing a new 4-inch bronze pipe water main between Fort Dufferin and Partridge Island at St. John Harbour, N.B.
2. $19,675.
3. Yes.
4. Answered by No. 3.
5. No information

GASOLINE IMPORTS FROM THE UNITED STATES

Mr. BLACKMORE:

1. How much gasoline was imported from the United States into Canada during March, April, and May, 1940?
2. What was the cost of exchange on this fuel?
3. Why was the fuel not bought from the Alberta oil fields?

Mr. CASGRAIN:

1. Imports from the United States of gasoline entered for consumption in Canada during the months of March and April, 1940.

Item	March		April	
	Gal.	Value	Gal.	Value
Gasoline lighter than ·8236 sp.g. at 60 degrees temperature	657,612	$65,839	2,839,621	$229,923
Gasoline, natural casinghead, compression or absorption gasoline, lighter than ·6690 specific gravity at 60 degrees temperature, when imported by refiners of crude petroleum for blending with other gasolines wholly produced in Canada	1,822,807	131,056	1,913,151	136,060

(Imports for the month of May, 1940, are not available.)

2. The official selling rate of the Foreign Exchange Control Board for United States funds in the months of March, April and May, 1940, was $1.11.

3. No information.

ACCIDENT TO LAKE STEAMER *The Northumberland*

Mr. CHURCH:

1. What was the cause of the accident on lake Ontario between Toronto and Port Dalhousie on June 1 to a lake steamer, *The Northumberland,* with 700 passengers aboard?
2. Will an inquiry be held?
3. Will a copy of the said findings or report be tabled?
4. Is the government considering a better and more modern steamer for this heavy traffic?

Mr. HOWE:

1. Captain reports vessel touched bottom, without damage, in dense fog and rain.
2. Matter under consideration.
3. See answer No. 2.
4. No; S.S. *Northumberland* owned and operated by the Niagara, St. Catharines and Toronto Navigation Company, Limited.

SALMO, B.C., LANDING FIELD

Mr. ESLING:

1. What is the acreage of the Salmo landing field in British Columbia?
2. What price was paid for this?
3. What is the width and length of the runway?
4. In addition to the cost of the land, what expenditures, to date, have been made in the construction of the field?

Mr. HOWE:

1. Eighty-four (84) acres.
2. $1,644.
3. 600 feet by 3,000 feet.
4. $66,418.39 was expended on stumping, grading, smoothing, seeding, fencing and erection of boundary and airport markers.

QUEBEC AGRICULTURAL FAIRS—DOMINION GRANTS

Mr. LACOMBE:

1. Did any agricultural fairs in the province of Quebec receive grants from the dominion Department of Agriculture during the year 1939?
2. If so, what fairs?
3. What respective amounts were granted to each?
4. Will the same amounts be granted to these fairs in 1940?

Mr. GARDINER:

1. Yes.

2.	General Grants	Building Grants	Total
Class "A"			
Lachute Spring Show, Lachute, P.Q.	$ 3,727 15	$ 1,500 00	$ 5,227 15
Canada's Great Eastern Exhibition, Sherbrooke, P.Q.	4,000 00	5,000 00	9,000 00
Agricultural Society of District of St. Hyacinthe, St. Hyacinthe, P.Q.	3,980 24	.....	3,980 24
Three Rivers Exhibition Association, Three Rivers, P.Q.	3,995 00	.....	3,995 00
Valleyfield Exhibition, Valleyfield, P.Q.	3,790 00	2,500 00	6,290 00
Provincial			
Ormstown Spring Show, Ormstown, P.Q.	4,847 48	3,000 00	7,847 48
Provincial Exhibition of Quebec, Quebec, P.Q.	5,000 00	15,000 00	20,000 00
Canada's Great Eastern Winter Fair, Sherbrooke, P.Q.	5,000 00	.....	5,000 00
Class "B"			
Stanstead County Exhibition, Ayer's Cliff, P.Q.	2,295 00	250 00	2,545 00
Brome County Agricultural Society, Brome, P.Q.	2,148 00	.....	2,148 00
Compton County Agricultural Fair, Cookshire, P.Q.	2,407 50	1,500 00	3,907 50
Quebec Regional Exhibition, Quebec, P.Q.	2,000 00	.....	2,000 00
Rimouski Agricultural Exhibition, Rimouski, P.Q.	2,500 00	.....	2,500 00
Roberval Agricultural Society, Roberval, P.Q.	2,454 00	500 00	2,954 00
Ste. Scholastique Exhibition, Ste. Scholastique, P.Q.	2,200 00	750 00	2,950 00
Shefford County Agricultural Exhibition, Waterloo, P.Q.	2,359 99	3,500 00	5,859 99

Miscellaneous	Building Grants
Bedford Agricultural Society Fair, Bedford, P.Q.	$1,000 00
Havelock Fair, Hemmingford, P.Q.	400 00
Huntington Agricultural Society, Huntingdon, P.Q.	500 00
Matane Agricultural Society Fair, Matane, P.Q.	500 00
LaSarre Agricultural Society Fair, Mecamic, P.Q.	500 00
Montmagny Agricultural Society Fair, Montmagny, P.Q.	500 00
Plessisville Agricultural Society Fair, Plessisville, P.Q.	500 00
Richmond Agricultural Society, Richmond, P.Q.	1,000 00
Soulanges Agricultural Society Fair, Soulanges, P.Q.	300 00
Vaudreuil Co. Agricultural Society Fair, St. Lazare, P.Q.	300 00
St. Leonard Exhibition, St. Leonard, P.Q.	500 00
Kamouraska Co. Agricultural Society Fair, St. Pascal, P.Q.	500 00
Victoriaville Agricultural Society Fair, Victoriaville, P.Q.	1,000 00
Shawville Agricultural Society, Shawville, P.Q.	500 00
Notre-Dame des Anges Agricultural Society, Montauban P.O., P.Q.	250 00
Pont Rouge Agricultural Society, Pont Rouge, P.Q.	400 00
St. Casimir Agricultural Society, St. Casimir, P.Q.	400 00
St. Jean Agricultural Society Fair, St. Jean, P.Q.	1,000 00
Agricultural Society of Bonaventure Co., Div. B., St. Jules de Maria, P.Q.	250 00

3. Included in answer 2.

4. No. One grant only is provided for, namely building grant of $15,000 to the Provincial Exhibition of Quebec, Quebec, P.Q., to cover previous commitment.

BREN GUN CARRIERS

Mr. ROSS (Souris):

1. Have orders been placed for Bren gun carriers?

2. If so, when, and on what terms?

Mr. HOWE:

1. No, but contracts have been placed for a quantity of a Universal carrier, which is a development of the Bren gun carrier.

2. May 31. It is not in the public interest to disclose terms or particulars.

WAR CHARITIES—SPECIAL APPEALS FOR FUNDS

Mr. HANSELL:

1. How many special appeals for funds have been made since September 1, 1939, in Canada, apart from the government, by such organizations as the Red Cross, Y.M.C.A., Canadian Legion, etc.?

2. What are the official names of such organizations, and what is the address of each?

3. Are such appeals made under government supervision, and by what method is such supervision carried on?

4. Does the government receive an official auditor's financial report of such organizations?

5. If so, are such auditors' financial reports available to members of the House of Commons?

Mr. CASGRAIN:

1. There have been many appeals of various kinds made by organizations with funds registered under the War Charities Act since the 13th day of September, 1939, being the day upon which the said act received the royal assent. If by "special appeals" is meant dominion-wide organized campaigns for money, then the answer is that each of the organizations named in the answer to question No. 2 has made one such appeal.

2. The Canadian Red Cross Society Fund, 621 Jarvis St., Toronto 5, Ontario; Canadian Legion War Services Fund, 158 Sparks St., Ottawa; Knights of Columbus Canadian Army Huts Fund, 161 Holmwood Ave., Ottawa; The Salvation Army Red Shield War Services Fund, 306 Drummond Bldg., Montreal, P.Q.; Canadian Y.M.C.A.'s War Services Fund, 215 St. James Street West, Montreal, P.Q.

3. Such appeals are made under the provisions of the War Charities Act and regulations made pursuant to section 8 thereof, and subject to such supervision as is provided for in the said Act and regulations.

4. The government is entitled, under the said regulations, to receive an audited annual statement from each of said organizations. Many organizations have already filed audited statements pursuant to said regulations.

5. All such financial statements are filed in the Department of the Secretary of State and are open to inspection.

[Mr. Gardiner.]

IMMIGRATION INTO CANADA

Mr. COCKERAM:

1. What number of immigrants entered Canada in the years 1938, 1939, and 1940?

2. What is the country of origin of the said parties?

Mr. CRERAR:

1. Fiscal year ended March 31, 1938, 15,645; Fiscal year ended March 31, 1939, 17,128; Fiscal year ended March 31, 1940, 16,205.

2.

Country of Birth	Fiscal Years 1937-38	1938-39	1939-40
Aden	..	..	1
Africa, British	33	20	40
Africa, not British	2	3	1
Albania	9	8	4
Arabia	1	..	1
Argentine	5	2	12
Armenia	1	2	1
Asia	3	..	..
Atlantic Ocean Islands, British	..	..	2
Australia	37	30	66
Austria	67	72	91
Barbados	11	8	10
Bahamas	5	5	7
Belgium	156	220	139
Bermuda	7	6	10
Brazil	9	6	3
Bulgaria	26	17	12
Canada	568	633	542
Central America	5	7	1
Chili	..	1	2
China	34	42	44
Columbia	..	..	13
Cuba	4	10	4
Czecho-Slovakia	1,601	1,962	1,640
Danzig	1	2	2
Denmark	46	47	72
Dutch East Indies	..	..	2
Egypt	6	1	6
England	1,625	1,985	2,299
Esthonia	2	9	4
Finland	110	58	60
France	100	123	127
*Germany	208	344	688
Greece	117	137	110
Guiana, British	1	4	3
Haiti	..	1	..
Hawaiian Islands	..	2	4
Holland	71	160	237
Honduras, British	2	..	..
Hong Kong	3	8	4
Hungary	461	390	384
Iceland	5	2	..
India, British	51	56	63
Iraq	..	..	1
Ireland, Free State	139	147	143

* 566 of the total were of Jewish race.

Country of Birth	Fiscal Years 1937-38	1938-39	1939-40
Ireland, Northern	196	209	168
Italy	427	382	218
Jamaica	11	9	17
Japan	154	62	67
Jugo-Slavia	681	681	220
Java	6	..	1
Korea	..	2	4
Latvia	13	13	14
Lesser British Isles	6	15	14
Lithuania	55	61	96
Luxembourg	..	3	1
Madeira	..	..	1
Malta	1	6	..
Mexico	61	136	58
Newfoundland	606	491	516
New Zealand	11	22	26
Norway	46	26	56
Pacific Islands, British	..	2	..
Pacific Islands, not British	..	2	2
Palestine	7	16	14
Paraguay	..	4	..
Persia	2	..	4
Peru	13	8	3
Poland	2,145	2,666	2,381
Porto Rico	1	..	4
Portugal	..	3	1
Philippine Islands	5	1	..
Roumania	331	346	151
Russia	94	98	96
St. Pierre and Miquelon	7	4	3
Scotland	656	686	672
Siam	1	..	1
South America	4	..	1
Spain	8	2	15
Straits Settlements	4	5	5
Sweden	36	23	27
Switzerland	157	129	81
Syria	20	19	17
Trinidad	4	3	9
Turkey	10	8	4
Ukraine	2	1	1
United States	4,246	4,364	4,271
Venezuela	..	4	2
Wales	75	79	100
West Indies, British	6	5	5
West Indies, not British	..	..	2
Other Countries, not British	2	..	..
Other European Countries	..	1	..
Born at Sea	3	1	1
Totals	15,645	17,128	16,205

AGRICULTURAL INSPECTORS IN SASKATCHEWAN, 1939

Mr. PERLEY:

1. How many inspectors, senior, junior or otherwise described, were employed by the federal government Department of Agriculture, in the province of Saskatchewan, for the year 1939, in each of the following branches: (a) dairy products; (b) fruits and vegetable products; (c) live stock and poultry; (d) health of animals; (e) plant inspection; (f) seed, feed and fertilizer control; (g) experimental farms; (h) entomology; (i) prairie farm rehabilitation; (j) Prairie Farm Assistance Act, 1939?

2. What were the total salaries paid to the inspectors in each branch?

3. What were the total travelling and other expenses paid to the inspectors in each branch?

Mr. GARDINER:

	1	2	3
(a) Dairy products	1	$ 1,680 00	$ 1,222 75
(b) Fruit and vegetable products.	2	3,660 00	627 98
(c) Live stock and poultry	19*	16,164 78	12,343 88
(d) Health of animals	51	100,662 42	19,830 90
(e) Plant inspection	4	6,615 00	1,873 00
(f) Seed, feed and Fertilizer Control	13	18,302 08	10,945 05
(g) Experimental Farms	Nil	—	—
(h) Entomology ...	Nil	—	—
(i) Prairie Farm Rehabilitation	Nil	—	—
(j) Prairie Farm Assistance Act, 1939	163	56,510 00	67,507 45

* While the headquarters of two of these inspectors is located in Saskatchewan, only part of their time is spent in that province, their district being the three prairie provinces.

CHATHAM, ONT., MACHINE GUN UNIT

Mr. DESMOND:

1. Is there a machine gun unit in Chatham, Ontario?

2. If so, are they fully equipped with machine guns?

Mr. POWER:

1. Yes.

2. It is not in the public interest that the answer to this question should be published.

BORDER CITIES MILITIA AND HOME GUARDS

Mr. DESMOND:

1. Has the government ordered a home guard defence service in the border cities of western Ontario?

2. Since the departure of Essex Scottish regiment, has another militia unit been established in the border cities?

Mr. POWER:

1. The formation of a veterans' home guard unit has been authorized in western Ontario.

2. Since the departure of the Essex Scottish regiment, personnel of another militia unit in Windsor have been called out.

MUNICIPAL HOME GUARDS

Mr. DESMOND:

1. Have municipalities authority to form "home guards"?

2. Will the Department of National Defence furnish municipal home guards with rifles and ammunition?

Mr. POWER:

1. In the sense that "home guards" are to be a corps of the militia, municipalities have no authority to form the same. A militia corps can be formed only by or under the authority of the governor in council.

2. It is not the policy of the Department of National Defence to issue arms and ammunition to other than organized defence forces.

*WHEAT BOARD ACT—INTERIM PAYMENT ON 1939 CROP

Mr. FAIR:

Is it the intention of the government to amend the Wheat Board Act as recommended by the Minister of Agriculture, and make an interim payment on the 1939 wheat crop?

Mr. MacKINNON (Edmonton West): I should like to be able to give my hon. friend a more complete answer, but at the moment I can only say that this is a matter of government policy which will be considered in due course.

TABLING OF DEPARTMENTAL ANNUAL REPORTS

Mr. MARSHALL:

Is it the intention of the government to table during the present session of parliament copies of the Auditor General's reports and those covering the various government departments for the year ending March 31, 1940?

Mr. CASGRAIN: The departmental annual reports for the year ended 31st March, 1940, including the auditor general's reports, will be tabled during the course of the present session if they are completed and printed before the termination of the session.

BOARD OF TRANSPORT COMMISSIONERS—AGREED CHARGES

Mr. GRAYDON:

1. How many "agreed charges" under the provisions of part V of the Transport Act, 1938, have been approved by the board of transport commissioners, since the act came into force?

2. How many of such applications were refused?

Mr. HOWE: Eight "agreed charges" have been presented to the board of transport commissioners; six have been approved; two are pending; none refused.

[Mr. Power.]

PUBLIC WORKS—EXPENDITURES ON PUBLIC BUILDINGS

Mr. MARSHALL:

1. What is the contract price for the erection of each of the following buildings: (a) Quebec postal terminal; (b) Toronto postal terminal; (c) supreme court building?

2. What amounts have been spent on each of these projects to March 31, 1940?

3. Is it the intention of the government to finish these buildings now?

4. If work has been stopped temporarily or for the duration of the war, what recompense will be made to contractors in each case?

Mr. CARDIN:

1. (a) $951,369.00; (b) $2,187,000.00; (c) $2,550,000.00.

2. (a) $737,569.52; (b) $1,352,821.45; (c) $2,106,745.87.

3. Matter under consideration.

4. See answer to No. 3.

TRANS-CANADA AIR LINES—USE OF AIRCRAFT AND PERSONNEL FOR WAR PURPOSES

Mr. JACKMAN:

1. Are the aircraft in use by the Trans-Canada Air Lines suitable, with minor modifications, for use in war?

2. If so, have they been offered to Great Britain in the present emergency? If not, why?

3. Has the flying personnel and ground personnel of the Trans-Canada Air Lines been given an opportunity to enlist as a unit for overseas service?

Mr. HOWE:

1. Major structural alterations would be required to make the aircraft used by Trans-Canada Air Lines suitable for military use.

2 and 3. The maintenance of high speed air passenger, mail and express services are considered essential to Canada's war effort. Protection was, therefore, given to this service against undue depletion of their staff by order in council P.C. 2525, dated 5th September, 1939. A number of the staff members of the R.A.F. or R.C.A.F. reserves have been released.

DEPENDENTS' ALLOWANCE BOARD—PERSONNEL

Mr. NEILL:

1. Who are the present members of the dependents' allowance board?

2. What positions did they hold prior to their appointments to the said board?

3. What remuneration does each receive: (a) salary; (b) living allowance?

4. How many people are presently in the employ of the board?

Mr. POWER:

1, 2, and 3, answered by the minister on pages 139 and 140, *Hansard*, May 23, 1940.

4. 169.

USED AUTOMOBILE PARTS AND SCRAPIRON—IMPORTATIONS

Mr. GRAYDON:

1. What was the value of used automobile parts imported into Canada from the United States during (a) each of the calendar years 1936 to 1939, inclusive; (b) each of the months from January to May, 1940, inclusive?

2. What was the quantity and value of importations of scrapiron into Canada from the United States during (a) each of the calendar years 1936 to 1939, inclusive; (b) each of the months from January to May, 1940, inclusive?

Mr. MacKINNON (Edmonton West):

1. No figures available, as used parts are included under general classification "automobile parts."

2. Imports from the United States of scrapiron entered for consumption in Canada during the calendar years 1936 to 1939, and the months January to April, 1940.

	Ton	Value
Calendar year 1936	63,413	$ 488,799
" " 1937	171,236	2,025,082
" " 1938	96,678	829,024
" " 1939	177,771	2,057,184
January, 1940	8,798	89,785
February "	6,930	67,984
March "	12,193	113,704
April "	18,301	193,155

Imports for the month of May, 1940, not available.

WAR PURCHASING BOARD—W. R. CAMPBELL

Mr. FAIR:

1. On what date was Mr. W. R. Campbell appointed chairman of the war purchasing board?

2. On what date did he relinquish this post?

Mr. HOWE:

1. September 20, 1939.

2. April 10, 1940.

VOLUNTARY REGISTRATION OF CANADIAN WOMEN

Mr. GRAYDON:

1. Has the government contributed any money towards the voluntary registration of Canadian women which commenced in 1939?

2. If so, how much?

3. Is the government cooperating in connection with the above-mentioned registration?

4. If so, in what way?

Mr. CASGRAIN:

1. No grant or other monetary contribution has been made by the government of Canada to the national committee for the voluntary registration of Canadian women to carry out its survey.

2. Answered by No. 1.

3. After the formation of the voluntary service registration bureau, arrangements were made with the national committee to transfer to the bureau a copy of the records relating to women coming within certain specialized categories. The special record cards used for this duplicate register are being paid for by the voluntary service registration bureau.

4. The transfer of the records is presently under way. When it has been completed the attention of departments, boards and agencies of government will be drawn to the existence of this special register of Canadian women in order that effective use may be made of it.

NATIONAL DEFENCE—WEYBURN BARRACKS

Mr. DOUGLAS (Weyburn):

1. What was the cost to the Canadian government of the alterations made in the International Harvester building at Weyburn, Saskatchewan, in order to convert it into a barracks for the South Saskatchewan regiment?

2. What is the rent paid per month by the government to the International Harvester Company for the use of this building?

3. What is the total amount of rent that has been paid to date?

4. Is it the intention of the government to discontinue the use of this barracks for the training of Canadian troops?

Mr. POWER:

1. $7,867.95.

2. $560.

3. $5,040, until 31st May, 1940.

4. This is under consideration.

FARMERS' CREDITORS ARRANGEMENT ACT—POWERS OF BOARDS OF REVIEW

Mr. TUCKER:

1. Has the attention of the Minister of Finance been drawn to the recent decision of the Court of Appeal for Saskatchewan in the case on Prudential Insurance Company, of America, versus Emil and Ora Berg et al?

2. Will arrangements be made to carry an appeal from said decision to the Supreme Court of Canada or in the alternative will consideration be given to amending the Farmers' Creditors Arrangement Act, specifically granting boards of review power to postpone payments due under their proposals on the debtor obtaining a certificate of crop failure from some responsible official?

Mr. RALSTON:

1. Yes.

2. This question relates to a matter of policy and it is not usual for the government to make statements on matters of policy in giving replies to questions.

COAL PRODUCTION AND IMPORTATIONS

Mr. FAIR:

1. What is the value of coal produced in Canada each year from 1929 to 1939, inclusive?

2. What is the value of coal produced in Canada during the period from September 1, 1939, to May 31, 1940?

3. What is the value of coal purchased from: (a) the United States of America, and (b) other countries, each year from 1929 to 1939, inclusive?

4. What is the value of coal purchased from: (a) the United States of America, and (b) other countries from September 1, 1939, to May 31, 1940?

Mr. MacKINNON (Edmonton West):

1. Value of the output from Canadian coal mines, 1929-39:

Year	Value
1929	$63,065,170
1930	52,849,748
1931	41,207,682
1932	37,117,695
1933	35,923,962
1934	42,045,942
1935	41,963,110
1936	45,791,934
1937	48,752,048
1938	43,982,171
1939 (preliminary)	48,258,199

2. Value of coal produced in Canada for the period September 1, 1939, to March 31, 1940, $33,080,800.

Value of April and May production not yet available.

3 and 4. Imports of coal entered for consumption in Canada during periods specified:

Year	From United States	From other countries
1929	$50,439,329	$5,573,939
1930	48,053,545	8,640,821
1931	31,500,919	5,328,419
1932	23,490,612	7,847,197
1933	19,110,276	9,011,915
1934	26,317,244	8,748,136
1935	24,703,624	8,627,625
1936	26,515,111	8,440,279
1937	30,587,340	7,571,278
1938	27,329,477	8,496,437
1939	33,284,251	8,294,434
September, 1939	6,644,720	1,076,191
October, 1939	3,469,782	701,396
November, 1939	3,091,195	548,668
December, 1939	2,406,712	234,633
January, 1940	2,895,051	87,563
February, 1940	2,127,463	138,174
March, 1940	2,136,850	57,797
April, 1940	2,134,974	57,490

Imports for the month of May, 1940, not available.

[Mr. Ralston.]

OLD AGE PENSION—RECIPIENTS IN CANADA

Mr. SHAW:

1. How many citizens in Canada are in receipt of the old age pension?

2. What proportion of the old age pension is paid by the federal government in each of the provinces?

3. What were the total amounts paid by the federal government in old age pensions for each year since 1930?

Mr. RALSTON:

1. March 31, 1940—186,035.

2. The dominion government paid to the provinces 50 per cent of the amounts paid out by the provinces for old age pensions to October 31, 1931, excluding administration costs. Beginning November 1, 1931, the dominion's share was increased to 75 per cent.

3. Fiscal year ended March 31	Dominion's contribution for old age pensions
1930	$ 1,537,173 55
1931	5,658,142 52
1932	10,032,409 87
1933	11,512,542 73
1934	12,313,594 93
1935	14,942,459 36
1936	16,764,483 87
1937	21,149,351 52
1938	28,524,587 23*
1939	28,283,284 11
1940	29,080,630 90

*Includes payments from August 1, 1936, for pensions granted in the province of Quebec during the fiscal year 1937-38.

NATIONAL HOUSING ACT LOANS

Mr. GRAYDON:

1. Under the provisions of the National Housing Act, 1938, how many loans have been made in accordance with (a) part one, (b) part two, (c) part three, of the said act, (1) in the dominion; (2) in the county of Peel?

2. What is the total amount so loaned in each instance?

Mr. RALSTON:

(a). The National Housing Act, 1938, which repealed and reenacted the Dominion Housing Act with important amendments, was passed on July 1, 1938, but lending operations under the new act did not begin until about August 1, 1938.

Total loans made in Canada under part I of the National Housing Act, 1938, from August 1, 1938 to May 31, 1940, inclusive, number 8,066. These loans provide for the construction of 11,202 family housing units and amount to $35,550,974.

Loans made in Canada, under the National Housing Act, Part I, and its predecessor act

in the period October, 1935 to May 31, 1940, total 11,437, providing 16,497 family housing units. These loans amount to $56,706,629.

Total loans made in the county of Peel under part I of the National Housing Act to May 31, 1940, number 38 and provide for the construction of 38 family housing units. These loans amount to $152,051.

Loans made in the county of Peel under the National Housing Act, part I, and its predecessor act in the period October 1935 to May 31, 1940, total 43, providing 43 family housing units. These loans amount to $169,339.

(b). None.

(c). Loans are not made under Part III of the National Housing Act. This part provides for the payment of certain taxes on new low cost homes in accordance with the conditions set out in this part of the act.

EXPORTS OF DAIRY PRODUCTS

Mr. GRAYDON:

How many gallons of (a) milk, (b) cream, were exported to the United States from Canada in each month since January 1, 1939?

Mr. MacKINNON (Edmonton West): Monthly Canadian exports of milk and cream to the United States from January, 1939, to May, 1940.

Month	Milk Gallons	Cream Gallons
January, 1939	248	—
February	248	—
March	408	—
April	144	—
May	272	—
June	232	4
July	264	—
August	202	—
September	352	—
October	288	—
November	256	—
December	224	—
January, 1940	229	—
February	244	—
March	162	—
April	232	—
May	402	4

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN NAVY—EXPANSION PLAN

Mr. ROSS (St. Paul's):

How many officers, non-commissioned officers and men of all ranks will be taken on under the proposed expansion plan of the Canadian Navy announced on May 21?

Mr. POWER: Return tabled.

CANADIAN NAVY—AGE REQUIREMENTS, PAY AND ALLOWANCES

Mr. ROSS (St. Paul's):

1. What are the age requirements for entry in the navy for the various ranks?

2. What are the rates of pay, separation allowances and living allowances for all ranks in the navy?

Mr. POWER: Return tabled.

TRENTON AIRPORT MEAT CONTRACTS

Mr. WHITE:

1. How many contracts have been awarded by the Department of National Defence and/or the war supply board and/or the defence purchasing commission, for meat for Trenton airport, since January 1, 1939?

2. To whom were such contracts awarded?

3. On what dates were such contracts awarded?

4. What was the contract price in each contract?

5. Was each of these contracts awarded as a result of calling for tenders?

6. If so, was the lowest tender accepted in each case, and what was the amount of other tenders?

TRENTON AIRPORT GASOLINE AND OIL CONTRACTS

Mr. WHITE:

1. How many contracts have been awarded by the Department of National Defence and/or the war supply board and/or the defence purchasing commission, for gasoline and oil for Trenton airport since June 1, 1939?

2. To whom were such contracts awarded?

3. On what dates were such contracts awarded?

4. What quality and quantity of gasoline and oil were to be supplied under each contract?

5. What was the contract price for gasoline and oil in each contract?

6. Was each of these contracts awarded as a result of calling for tenders?

7. If so, was the lowest tender accepted in each case, and what was the amount of other tenders?

IMPORTS OF FRESH FRUITS AND VEGETABLES

Mr. GRAYDON:

1. What was the quantity and value of fresh fruits and vegetables of all kinds imported from the United States into Canada (a) during the year 1939, (b) during the months of January to May, 1940, inclusive?

2. What was the quantity and value of importations of citrus fruits from the United States into Canada (a) during the year 1939, (b) during the months of January to May, 1940, inclusive?

Mr. MacKINNON (Edmonton West): Return tabled.

UNEMPLOYMENT RELIEF—NUMBER OF CITIZENS BETWEEN SIXTY AND SEVENTY YEARS OF AGE

Mr. SHAW:

1. What is the population of Canada of citizens between sixty and seventy years of age, inclusive?

2. How many citizens of Canada between sixty and seventy years of age, inclusive, were in receipt of direct relief as at January 31, 1940?

MOTIONS FOR PAPERS

RELEASES FROM INTERNMENT CAMPS

Mr. CASTLEDEN:

For a return showing a list of all persons released in 1939-40 from internment camps in the provinces of Manitoba, Saskatchewan, Alberta, and Ontario, together with the dates of release and reasons therefor.

Mr. LAPOINTE (Quebec East): For the reasons I gave the other day, on the recommendation of my advisers I have to object to the adoption of this motion, as being contrary to the public interest.

Mr. HANSON (York-Sunbury): Mr. Speaker, I do not know whether this is debatable.

Mr. LAPOINTE (Quebec East): It is not.

Mr. HANSON (York-Sunbury): Then I have not anything more to say.

Mr. POULIOT: I taught that to Mr. Bennett some years ago, that it was not debatable.

MANUFACTURE OF TANKS IN CANADA

Mr. STIRLING:

For a copy of all correspondence, cables, telegrams, memoranda, notes of telephone conversations, and any other papers or documents passing between this government and His Majesty's government in the United Kingdom and/or any agent or authorized representative of either governmnt, and between this government and persons or corporations, relating to the manufacture of tanks in Canada since January 1, 1938.

Mr. POWER: I would ask that this be allowed to stand until I examine it.

Mr. HOWE: I have made inquiries, and I find there are no such documents which are not definitely of a privileged character.

Mr. HANSON (York-Sunbury): May I ask the minister if there is not correspondence between this government and certain persons or corporations in Canada or elsewhere? I appreciate that as between governments there may be confidential communications, but this is an extremely inclusive inquiry, and I am sure that if there is anything on file which would come within the category to which I have referred, it should be produced.

Mr. HOWE: My information is that while conversations took place, there is no correspondence of the class indicated.

ACREAGE BONUS—APPLICATIONS IN TOWNSHIP 13-16-W 2ND

Mr. DOUGLAS (Weyburn):

For a copy of all letters, telegrams, affidavits and other documents dated from August 1, 1939, to March 31, 1940, in the possession of the government, regarding the application for the acreage bonus in township 13-16-W 2nd.

PORT GREVILLE, N.S., BREAKWATER

Mr. BLACK (Cumberland):

For a return showing engineers' and inspectors' reports, payrolls, engineers' and foremen's salaries, accounts for materials and all other expenses in connection with work on the wharf breakwater at Port Greville, Cumberland county, Nova Scotia, for the fiscal years ending March 31, 1939 and 1940.

Mr. CARDIN: There is no such structure as a wharf breakwater at Port Greville. There are different structures there. There is a wharf, and a breakwater which is separate from the wharf. There has been a certain amount of protection work there, and also what is called shearwater, if I remember correctly. During the fiscal years mentioned in the motion, work has been done on the wharf and on the shearwater. I understand my hon. friend desires information as to the work being done by the government in the last two fiscal years. I have no objection to bringing down that information, but there is no expenditure on the breakwater.

Mr. HANSON (York-Sunbury): Well, a rose by any other name—

Mr. SPEAKER: Carried.

MONTREAL INDIAN RESERVE, SASK., TEACHER AND MATRON

Mr. COLDWELL:

For a copy of all correspondence, reports and other documents dated from January 1, 1937, to June 1, 1940, dealing with the appointment and retirement of Mr. J. N. Stenhouse and Mrs. Agnes B. Stenhouse, as teacher and matron respectively, on the Montreal Indian reserve, Saskatchewan.

Mr. CRERAR: I believe the hon. member for Rosetown-Biggar (Mr. Coldwell) is not in his seat. I spoke to him respecting this notice of motion the other day. It involves a considerable amount of work, such as that

of copying documents. At that time I inquired of him if he would be content to view the files, which would be placed at his disposal either in the Department of Indian Affairs or in my own office upstairs. My hon. friend said that would be satisfactory, and he indicated to me that when the notice of motion was called he would ask that it be dropped. Since he is not in his seat, I mention the conversation which took place between us.

PRAIRIE FARM ASSISTANCE ACT—OPERATIONS IN ALBERTA

Mr. HANSELL:

For a copy of all correspondence, letters, telegrams and other documents during the years 1939 and 1940 to date, exchanged between the dominion government, or any official thereof, and the government of Alberta, or any official thereof, with respect to the Prairie Farm Assistance Act.

SASKATCHEWAN CANTEEN FUND

Mr. COLDWELL:

For a copy of all letters, telegrams and other documents exchanged between the dominion government and the government of Saskatchewan, relating to the setting up of the canteen fund by the province of Saskatchewan; the appointment of trustees and auditors, and also all the correspondence, etc., regarding the said fund, between July 1, 1939, and the present time.

SALES OF FRUIT AND DAIRY PRODUCTS IN UNITED KINGDOM

Mr. ROWE:

For a copy of all reports, recommendations and other correspondence passing between Mr. William Allen, Canadian agricultural commissioner to England, and any department of the Canadian government, during the past year, relating to the sale of pork products, dairy products, fruit and canned goods in the British Isles.

MUNITIONS AND SUPPLY

AMENDMENT TO CLARIFY AND EXTEND POWERS OF MINISTER, ETC.

Hon. C. D. HOWE (Minister of Munitions and Supply) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to amend the Department of Munitions and Supply Act to clarify the powers of the minister and in some respects extend his powers of acquisition, by purchase or otherwise, of munitions and supplies, and to empower him to construct and carry out defence projects, engage services, et cetera.

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

Motion agreed to.

PRIVILEGE—Mr. HANSELL

STANDING OF SOCIAL CREDIT PARTY IN THE HOUSE OF COMMONS

On the orders of the day:

Mr. E. G. HANSELL (Macleod): Mr. Speaker, on behalf of this group I should like to raise a question of privilege. The "Journal of the Parliaments of the Empire," copies of which were in our mail boxes to-day, records the results of the last election and states that the present standing in the house of the Social Credit party is eight. This should be ten. It records also that the standing of this party at the dissolution of the last parliament was seventeen. This should be fifteen.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Neither this house nor this parliament nor this government has any responsibility for the journal to which my hon. friend has just referred.

Mr. HANSELL: I quite understand that.

NATIONAL DEFENCE

INQUIRY RESPECTING NAZI AND FASCIST SYMPATHIZERS IN THE UNITED STATES

On the orders of the day:

Hon. R. B. HANSON (York-Sunbury): Mr. Speaker, I should like to call the attention of the Prime Minister (Mr. Mackenzie King) and the government to a press report of this morning in which the premier of Ontario is alleged to have declared at St. Thomas last evening that the Ontario provincial police have received information that nazi and fascist sympathizers in the United States are organized and waiting only for orders from across the Atlantic to attack Ontario. Has the government any information which would justify this allegation? If not, will the government take immediate steps either to confirm or to clarify the position? If the government has information that such declaration is correct, what steps, if any, does the government propose to take to meet the situation?

Right Hon. ERNEST LAPOINTE (Minister of Justice): The Royal Canadian Mounted Police, which is the proper body to look after matters of this kind, has been for some time in direct communication with the secret service and police authorities of the United States. The mounted police know as far as it is possible to know what is going on and they are taking all necessary steps to meet whatever situation may arise. I may say that making this matter the subject of a press report is merely spreading rumours in a way that is not conducive to the public good or to the

proper prosecution of the war. It is a sample of the kind of cooperation we are receiving in certain quarters.

Mr. HANSON (York-Sunbury): I have not the slightest objection to the observation which the right hon. gentleman has just made, but I want to know if the allegation to which I have referred is true. Have the Royal Canadian Mounted Police been in communication with the provincial police of Ontario in connection with this important matter?

Mr. LAPOINTE (Quebec East): If the provincial police of Ontario had received such report, their duty was to communicate it to the Royal Canadian Mounted Police and the federal authorities and not make it the subject of a report in the press.

APPOINTMENT OF COMMITTEE TO CONSIDER AND REVIEW DEFENCE OF CANADA REGULATIONS

The house resumed from Tuesday, June 11, consideration of the motion of Mr. Mackenzie King for the appointment of a committee to consider and review the defence of Canada regulations passed under the War Measures Act.

Mr. A. G. SLAGHT (Parry Sound): Mr. Speaker, I desire to discuss briefly the resolution now in debate. I find that I am to be a member of the committee which this resolution proposes should be set up, and it is my view that I should refrain, which I propose to do, from discussing at this stage any of the regulations with which we shall deal in committee. That discussion can come later. Hon. gentlemen who are members of this committee may find that as a result of what takes place there, the views that they entertain to-day may be radically changed after full information is received. I listened with interest to the remarks made yesterday by the hon. leader of the opposition (Mr. Hanson). He is not to be a member of this committee, but I think we are all indebted to him for the constructive and helpful suggestions which he made in connection with this important matter.

I am strongly in favour of drastic regulations. In my judgment the safety of the nation in war time must override those excellent safeguards of the subject which are in force and in vogue and of which we are so proud as Britishers. I listened also to the remarks made yesterday by the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Vancouver South (Mr. Green). I am much in accord with what those two hon. members and the leader of the opposition said, but I differ with them in some respects. In my view this is not the time or the place to debate such difference of opinion. I mention this so that I may be enabled in committee to give my view.

Both the hon. member for Rosetown-Biggar and the hon. member for Vancouver South are to be members of this committee, and I believe they will render most valuable assistance. Let me say to the hon. member for Vancouver South that in my view there is nothing in his suggestion that the appointment of this committee will relieve the government of responsibility in connection with defence regulations and internment. The government have not shirked their responsibilities in this regard one iota. The Minister of Justice (Mr. Lapointe) made it perfectly clear yesterday that the policy of the government is set out in the present regulations.

According to the wording of the resolution we are discussing, this committee is to be given power to report its opinions and observations to the house from time to time. The hon. member for Vancouver South complained that a reference of this matter to a committee would involve weeks of deliberation, that it was merely a stop-gap, but let me suggest to him that this committee can see to it that nothing like that happens in connection with this important subject. If the members of the committee are ready to treat their job as an urgent war-time job, we can sit at eight o'clock in the morning until one o'clock in the afternoon, and then from 11.15 o'clock at night until one o'clock the next morning. There would thus be no interference with our duties in the house. With that sort of diligence we could thresh out these regulations in a week's time and make at least an interim report, as we are invited to do by the language of the resolution. Farmers get up at five o'clock in the morning to milk their cows.

Some hon. MEMBERS: Hear, hear.

Mr. HANSON (York-Sunbury): They go to bed at nine o'clock.

Mr. SLAGHT: There seems to be a good deal of experience in that regard. I would suggest to this and other committees of the house that the work should be speeded up instead of being allowed to drift along in a leisurely way. Instead of starting at eleven o'clock in the morning, we should be ready to start at eight o'clock or at nine o'clock at the latest and be prepared to put the business of this country on a war-time basis. We are asking industry to work twenty-four hours a day, and in my view we should at this time set a real example of industry among the private members of this house. I am not directing any criticism at the government.

I believe that the Prime Minister and the members of the cabinet are working sixteen to eighteen hours a day, seven days a week. I believe that the deputy ministers and the key officials in the various departments of government are unselfishly working long hours such as I have mentioned, and to all of them we owe a deep debt of gratitude for what they are doing in that regard.

Mr. HANSON (York-Sunbury): Do not forget the leader of the opposition too.

Mr. SLAGHT: I am sure that the leader of the opposition rises with the cows and burns the midnight oil. In my view, Mr. Speaker, the ordinary member of this house is chiefly useful for the work he does in committees.

Mr. HANSON (York-Sunbury): Hear, hear.

Mr. SLAGHT: I want to urge upon the various committees of the house in the most serious way that during this session they work both early and late and get the job done. A good illustration of what can be done when all members put their shoulders to the work was the special war session of last September. I looked over *Hansard* to-day and I found that the house met on Thursday, the 7th of September, and prorogued on Tuesday, the 12th of September, working four days and nights, in which time a momentous decision to enter the war was made; a defensive policy for Canada was laid down; $100,000,000 was voted forthwith; authority was granted for a large loan; laws were enacted to incorporate the patriotic fund, to amend the customs tariff, to amend the Excise Act, to amend the Special War Revenue Act, the Income War Tax Act, the Excess Profits Tax Act, and an act was also passed granting to his majesty aid for national defence and security. All that was done in four days, and my hon. friend suggests that if the committee of which he and I are members is set up, we shall need to sit for several weeks and become a stop-gap.

Mr. HARRIS (Danforth): Now tell us about the January session.

Mr. SLAGHT: My hon. friend refers to the January session, which was shorter still. My point, and I am serious in it, is that we private members—I speak of them particularly—have to set an example to the rest of Canada in industry and in getting on with the job in this parliament. It was refreshing to me yesterday to note the little tilt between the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of the left group, and the hon. leader of the opposition. The difference seemed to be as to who were pinks and who were not. I want to suggest with all kindliness to these hon. gentlemen that there are good and bad ministers of the gospel—there are no bad ministers, of course, in the House of Commons—there are good and bad lawyers, and good and bad school teachers and professors, and I venture also to suggest that we shall not gain much at this time by discussing in this house the relative merits of those who are following various occupations in life.

While all hon. gentlemen who have spoken in this debate have been ready to affirm the utmost confidence in our Minister of Justice (Mr Lapointe), which I share to the full, and which I share, I believe, with every hon. member of this house, he was subjected to some friendly criticism yesterday and I want a word on that subject. We are fortunate, in my view, to have in this country at this time a Minister of Justice with the qualities of the present incumbent. The burden placed upon him under these very defence regulations has been enormous, and he has discharged it one hundred per cent as a great Canadian. No charges, of course, were made, but I resent the slightest suggestion that the faintest breath of political influence has motivated a single act of the Minister of Justice from the moment the war broke out down to this moment of to-day. That is a statement which I think needs to be made in this house in view of some observations that were made yesterday.

I want to pay a tribute, Mr. Speaker, to another public servant intimately connected with the administration of these regulations, and that is Brigadier Stuart T. Wood, Commissioner of the Royal Canadian Mounted Police, and thereby charged with terrific responsibilities under these regulations. He is thereby also the head of the secret service of Canada. I had the personal privilege of being thrown into contact with him in the last few months and know something of the character of his work. He is a graduate of Scotland Yard, and under his guidance and that of his illustrious predecessor in office, now gone, our Royal Canadian Mounted Police has been brought up to a standard than which there is none higher in the world to-day. The requirements of their training and education for the important work they do are terrific in their severity. I wish the members of the house would take the trouble to look up those requirements. I say to this house with all assurance that our secret service and our mounted police force is as efficient and effective a force as either Scotland Yard itself or the famous federal bureau of investigation at Washington headed by Edgar Hoover and his G men.

The subject of sabotage and the enemy within is one to which I have given special

study in the last two years. For the benefit of the eighty-two new members of this house and of any other members who may be interested in refreshing their minds as to sabotage during the last war, I may say that on May 13, 1939, thirteen months ago, beginning at page 1043 of *Hansard,* I dealt in detail with that subject, and any member may find there a recital of the specific evidence against Count von Bernstorff, Franz von Papen, Captain Boy-Ed and Doctor Albert, who received from Berlin and spent one hundred and fifty million American dollars, in conducting sabotage activities against Canada and the United States from their headquarters at Washington, while at the same time breaking bread and drinking wine at the hospitable table of the President of the United States. There hon. members will find details of one hundred and five specific cases of sabotage and destruction by dynamiting planned and carried out in Canada and the United States.

These activities in the last war really began to manifest themselves some five months after that war began. We have had nine months of war now, and owing largely to the magnificent preparations of the mounted police force and local police authorities in every province we have not had a single serious act of sabotage in Canada. That is not luck. In the past twenty-four hours hundreds of enemy aliens have been picked up and interned, and more will follow. The selection and arrest of these men have not been due to any haphazard policy or to luck. The secret service of Canada have been at work for the past three years upon these very problems, and to the record up to date the Minister of Justice and the people of Canada are entitled to point with pride. Let me hasten to say, notwithstanding that, that I view with alarm what may happen in the future. In my judgment we must give this splendid force all the reinforcements, all the recruits, all the temporary and partial assistance which they may seek and ask for, and we must not stop to count the cost.

I should like to make to the Minister of Justice a suggestion of which a few moments ago I advised him and which I believe should meet with the full approval of the house. It is, that he amend his resolution by permitting the committee to report also upon the question of appropriate punishment for war offences. To do a thorough job, that follows upon the other task already set. Should the minister approve our doing so, and should the house support him—and I would hope they would—a simple amendment can be made by adding, in the third but last line of the resolution, after the words "to consider and review the aforementioned regulations," the following language:

and the question of appropriate punishment for war offences. . . .

These regulations deal mainly, be it remembered, with drastic powers of arrest, detention and internment, the basis of which need not be an overt act of any kind which in ordinary peace time would bring a man into the police court or the criminal courts. These regulations contain some mild provisions as to punishment for contravening or failing to comply with any of the regulations; but it is the criminal code itself which deals with punishment of those who are caught and charged with actual overt acts of sabotage, espionage and treason. In my view the sections of the code should be tightened up as regards offences of this kind and particularly as to the punishment therefor. I shall not trouble the house with details.

Part II of the code is headed, "Offences against public authority, internal and external", and deals in part with these matters. Section 74 defines "treason" in detail. Sections 85 and 86, under the general heading, "Information illegally obtained or communicated", deal with espionage, spying and giving information to the enemy. Section 510, under the innocent-sounding heading of "Mischief", deals with the wilful destruction of property, and imprisonment for different periods of time is provided for different types of offence. In this regard I have a drastic proposal to make. I should like to be able to make it to the committee and then let it come back here. It is that we should make it possible to inflict the death penalty upon every person, whether an alien enemy, a naturalized alien, or a Canadian-born British subject—of whom I hope there would be never one—who is caught and convicted of any such offence against his king and country.

We in Canada now have the death penalty for treason, for murder, and for rape, although the death penalty is seldom inflicted for the last-mentioned offence. Sabotage, espionage and fifth column activities reek with treachery and are in my view the vilest form of crime which can be committed by mortal man to-day. Let the parliament of Canada issue solemn warning by creating this death penalty against any of those hidden, subversive elements that are within our bosom to-day, and let us put the fear of God into them, in so far as one can hope to put the fear of God into cowardly, treacherous, criminal saboteurs. In other words, let us get tough, and let us make it known to criminally-minded people in Canada that they can expect no mercy.

The press to-day, as was intimated by the leader of the opposition (Mr. Hanson), carries an article that warnings have been received of a possible, expected influx of criminal saboteurs from across the border. Whether this report is authentic I have no knowledge. In any event let it go forth from the floor of this house to such people, if any there be, that they could not at this moment undertake a more hazardous or unhealthy task. I have been told by some of those in high places in the United States who are charged with the responsibility of law enforcement and the administration of criminal justice, that the underworld of the United States in peace time give Canada a wide berth so far as operating here is concerned. Sometimes members of that underworld run across the border into Canada to hide after crimes committed in the United States; but they do not come to Canada to operate, and the reason is that they are afraid of the rope in Canada; they are also afraid of the swift, sure, non-political administration of criminal justice in this country of which we have a just right to be proud. If any evil-minded enemy aliens contemplate trips to Canada, let me warn them that we in this country shall use our best efforts—and those efforts, as I have indicated, are not inconsiderable—to see that their adventure shall end at the end of a rope.

I should like to have our committee accorded the right to consider such drastic measures of punishment and, at least, promptly offer their report to this house thereon. I am looking at the hon. member for Vancouver South (Mr. Green), who will, I am sure, cooperate in this matter. The house may or may not adopt the recommendation.

I offer these observations in support of the suggestion that, if the house approves, the few words of which I have advised the minister should be added to the resolution.

Mr. T. L. CHURCH (Broadview): In May of last year, upon the estimates of the Department of Justice relating to the mounted police, I raised in the committee this question of adverse propaganda, because at that time there was a great deal of dissatisfaction over the circulation in Canada of certain United States papers. At that time I asked that the powers of the mounted police should be extended and coordinated with the police systems of the provinces, and especially of the municipalities, and that the federal power should pay, in part, for the enforcement of federal law. However, nothing whatever was done at that time about this matter. The dominion has said that the enforcement of all federal law is a matter for the provinces, and therefore the burden of enforcing the federal statutes and rules and regulations is largely on the municipalities who have to pay for it. This objectionable fifth-column propaganda had been going on for a long time, and for that reason I asked on that occasion that the minister should look into the matter and that he should coordinate the federal police system with the police systems of the provinces and of the municipalities.

It is extraordinary that the defence of Canada regulations were not brought up for consideration during the parliamentary session known as the war session. Nothing was done nor was there any discussion on the schedule of rates to be paid the dependents of those serving in the army, navy and air force of this country. On the patriotic fund bill the minister simply said that it was desirable to provide an organization for such purpose and asked to put on *Hansard* the schedule—$1.30 a day for the army— without debate. We saw what became of that piece of legislation, through passing it without debate or question, and the suffering which followed. The same thing happened to the defence of Canada regulations during that war session—not a word was said about it. It is astonishing to note that the first thing heard of this War Measures Act revival was the minute of the privy council on March 14, 1938, No. 531. The government had done nothing down to the day this order in council was passed, largely upon the urgings of the opposition with regard to defence that year. I make no apology for criticizing the minister or the government, because criticism is a tonic in time of war which stimulates government to action. Britain and France have realized that during the past three months. Constructive and helpful criticism saves a government from falling into a pit of errors and blunders which are fatal in time of war, more so than in peace. If the criticism is honest and founded on fact and not inspired by political motives there can be no objection to it; it is most desirable and proper.

I pointed out that during the war session nothing was said about these matters. The interdepartmental committee on emergency legislation was appointed shortly after Germany started on the march. An order in council was passed on March 14, 1938, setting up this interdepartmental committee, but it never held a meeting from March up to the end of September, although the fate of the world was being decided in that memorable meeting at Munich in 1938. Even then the committee merely met, got organized, and elected a chairman. This inaction continued until January 19 of last year. Although the Germans had invaded three or four countries,

the committee never held a single meeting from September, 1938, to January 19, 1939, and none from their appointment until after Munich on September 28, 1938. At that time they had before them order No. 531 of the privy council, dated March 14, 1938, and after that they did nothing until the war broke out.

I assert that the responsibility for these regulations is not on this house, but on the government, just as is the responsibility for the discussion of dependants' allowances, yet at the war session both matters were passed over with hardly anything at all being said about them. I can say of the Minister of Justice (Mr. Lapointe) that since I came here in 1921 he has been most polite to hon. members in connection with the legislation of his department, and he must not interpret my remarks as any personal criticism of himself—far from it. Everybody wishes to support him in this battle of nerves. Speaking as a past chairman of the police commission of Toronto I can say that on the whole we had the utmost cooperation from the justice department and in general from the government. My action in raising this matter during the minister's estimates last year must be regarded as a criticism not of himself but of the way in which the government are administering the trust of protecting the people in this grave crisis.

The only question in this debate, as I see it, for the house to consider is, are these regulations necessary for the safety of Canada and her allies? If the government tell the people that they are, no matter how drastic those regulations may be, I believe the government will receive the unanimous support of all right thinking people in this country. All we need to know is that they are absolutely necessary to protect us from the ravages of the notorious fifth column and from the sabotage which has wrecked so many small nations in Europe.

On January 25, 1940, I had a motion on the order paper asking that a committee be appointed to investigate the anti-ally propaganda in Canada, also the Anglo-French phobia and the attacks made on the allies by cheap United States papers and foreign radio. One had only to go through the streets of the larger cities throughout Canada to see the amount of this trash being sold, the product of the cheap pro-German gutter press, containing attacks on our brave allies in these critical times. During last session and the session before I called the attention of the government in this house to this matter and asked that some of these papers be banned and refused the use of the Canadian mails. I brought this matter up during the very week of the visit of their majesties. The attacks which these pro-German United States papers made upon the sovereign, our institutions and the British connection, were disgraceful. Yet nothing was done to shut them out of Canada.

About two years ago a committee, known as the Dies committee of the senate, was appointed at Washington to investigate anti-American propaganda. They held a number of important sessions for this purpose, and so much evidence was obtained of German propaganda in the United States that the senate was called upon to act. Senator Nye, co-author of the neutrality act, said that nothing the kaiser did in the great war would compare with the sending by Britain and Canada of lecturers and professors and others to the United States to drag America into the present war, and there was some discussion as to what type of regulation should be adopted to deal with activities there of this kind. The subject was raised in the British parliament, and there were many newspapers which discussed the question from one point of view or the other. When it came before the Dies committee at Washington after the outbreak of the war, the chairman was asked to tell the committee who were these people who had come from Canada and Great Britain as Senator Nye said, but he could not name a single individual who had been sent by the British government. The names of some professors and others from Canada were mentioned as upholding the pacifist side; a few of them were connected with the universities of this country. I believe it would be better if the government were to trust the daily press of Canada and let them have a free hand, as they did in 1917, when little or no trouble was caused. So far, as in the great war, the daily and weekly papers of Canada have risen splendidly to the situation.

Some of the articles of certain United States columnists republished by chains in Canada are open to criticism, as containing only half truths. Some of them are none too friendly to the cause of the allies, and attack the British cabinet. Howard Ickes, Hon. secretary of the interior at Washington, has referred to them as "calumnyists". Some of these articles should be the subject of our amended regulations. They would not be tolerated in the last war.

Has the situation not changed since last January? I say it has. Although I had a motion on January 25 and also on May 16 along the lines of appointing a committee to investigate anti-ally propaganda in Canada, I believe the situation has entirely changed

since then, through the attacks made on Britain and France, the campaign in Finland, the campaign against Norway, the invasion of Holland and Belgium, and the disgraceful vulture attacks of Italy. The time has now come for the government to take the responsibility for anything which is to be done. We pass this resolution, and what is going to happen? No criticism will be allowed in our press. The special committee will meet, and they will not present a report until the end of the session; that will be the end of it—the house will be reduced to a cipher. The Minister of Justice and his predecessor have told the house on many occasions that the enforcement of all federal laws is upon the municipalities, and the provinces, through the provincial attorneys general. If that is so, is this propaganda to go on? Yesterday there were riots in Toronto and the windows of sixteen Italian stores were broken. Is the police commission of Toronto expected to act? Yes, but they await advice from Ottawa. Is the government going to enforce these war-measure regulations or not?—because there has been a failure since the war thoroughly to enforce them. Consider for instance the attacks on recruiting made by a certain section of the clergy of the United Church of Canada in the *Witness* in what is called "The Witness against War". These men should have been proceeded against the same as any other poor citizen without influence; yet Ontario referred it to Ottawa and they were allowed to do as they please—with a war on to engulf civilization.

I believe there should be one law for all these people, as I said during the debate on the address. I believe that if we wait for the provinces to enforce these regulations, there will be no uniform enforcement at all. Ottawa in war should enforce its own laws. We have 4,000 miles of border between the United States and Canada. A writer on the editorial page of the Manchester *Guardian* gave some interesting figures. He said that before the war Chicago was the third largest German city in the world, and it has been found that there are more Scotch people in the United States than there are in the city of Glasgow; more Irish than there are in Dublin; more Mexicans than there are in Mexico City; more Japanese than there are in Tokyo and more Jews than there are in Palestine, and that New York was the Jewish capital of the world. This writer goes on to say that we must watch out when Italy enters the war, because of the number of foreigners in the United States, and the German-Italian-Russian spy propaganda. He also says that there are more coloured people in that country than there are in all Africa, and urges that some organization in the dominions should cope with these questions before it is too late.

This matter of the enforcement of regulations such as these came up in the British house, and the British government saw fit to assume the responsibility. Yesterday the hon. member for Vancouver South (Mr. Green) made an excellent speech, as he always does, and he referred to these regulations, and the necessity of not referring this matter to a committee. When I read the last two lines of this resolution it seems to me that these regulations will be completely suspended in all Canada and the fifth column, while this committee is meeting, can do as it pleases. The resolution states:

> And whereas, it is deemed advisable that a committee of the house consider the said regulations as amended to ascertain whether such regulations reasonably meet the requirements of the country in time of war.

What are the police departments going to do? If they bring these people to court, the lawyers will stand up and say there are no regulations, that a committee is revising them, so nothing will be done to save our country from the nazi-fascist plague. The police commissions of the country want to know what these regulations are now and who are going to enforce them before it is too late. As I have said before, I think the government should forward copies of all these orders in council and rules to the leading cities of the dominion and to the police chiefs so that they may know what is the law and should cooperate with them. These alien enemies and members of fifth columns never rest. They carry on an incessant warfare against the people of this country. On January 25 last, as in other years, I stated that the cost of soldier guards for home defence and the protection of public property, federal, provincial and municipal, should be borne by this government under the authority of the British North America Act, section 91, subsection 7, as was done during the last war. Why is it not done now regardless of cost? If you are going to do anything to protect your Canadian-United States borders, you will have to enforce these regulations and, as a result of Italy's action, call out the militia of Canada and order a compulsory register and national service for man-power. In addition, I believe section 98 should be put back in the criminal code as the government of Ontario has requested. That should be our answer to Italy's entry into this bandit war. We may have to face attacks on all our public utilities from Germans and Italians on the United States border; that is why I think our militia should, as in the last war, guard these

properties. In addition I think we should have national service and an immediate national registration, and compel each man, woman and child to do their part to repel the invader at the gate. No time should be lost.

All these things were demanded last Sunday at a meeting of the Canadian Corps Association in my constituency, attended by some 50,000 people, at which some of the same resolutions which I have brought before this house were endorsed. I have called, during the last three years in this house, for a national registration of man-power, economic and industrial power, food production, for a survey of all industries in this country, large and small, to see if we could not get part of the orders resulting from England's rearmament scheme. As I mentioned the other night, we were able to obtain only about one per cent of those orders, as a result of being too late even as to tanks, aeroplanes and other war equipment, and no industry was asked to tender.

I have lost a great deal of interest and confidence in the committee system. We have a committee to look after the Canadian National Railways; we have an election committee, an agricultural committee and others; we had a Bren gun committee. When the reports of these committees are presented what happens? The reports are brought in towards the end of the session, and the chairman, after an hour's debate, moves that the debate be adjourned. That happened in connection with four committees last year, and all discussion was shut off. No one knows what will be the fate of this country; no one knows to whom it will belong at the end of the year if Great Britain and France should lose the war. Canada is the next objective in this fight to a finish. So long as this war lasts, Canada must do something all along the line.

The issue in this resolution, as I see it, is whether the regulations are fair and reasonable. If so, the country will support the government who must take the responsibility for them. Yesterday the Minister of Justice said these regulations expressed government policy; that is the policy in the red book of regulations. If that is the case, why does the government not now take responsibility for them without a committee and amend them? Under the French and British systems the responsibility for government rests on the governments, not on the opposition, not on committees or commissions. As long as they are the government of the day they are responsible, and they should take the responsibility. The government should decide what these regulations are to be, having in view Italy's entry into the war. Then the regulations should be proclaimed and federally enforced by Ottawa itself. Other matters can be taken up later on, but as matters stand at present the people do not know what are the regulations. In the past the government has been too late, and I am urging that in this instance it should do its plain duty. There is not a moment to be lost, now that Italy has come in. During the Spanish trouble, Italian submarines found shelter on the southeast coast of that country, and Italy has modern submarines that can cross the Atlantic ocean and return without refueling, and go round the cape without refueling. Yet we sit here appointing a committee to revise these regulations, in the face of the gravest danger that Canada and the empire have ever faced. Every day is bringing this war closer to our shores, while we have been too late in Canada in everything. In the metre of an old evangelist hymn, we might say:

> Too late, too late will be the cry,
> Hitler of Germany passeth by,
> Too late, too late will be the cry,
> Mussolini the vulture passeth by.

This is not the time to appoint committees. Action is wanted at once. Why, even the police commission of the city of Toronto cannot get copies of orders in council to learn what the regulations are so as to enforce them against alien enemies. In the Toronto *Telegram* of yesterday re Italian riots, I see these headlines:

> Angry Toronto citizens smash Italian shop windows
> Beer bottles and bricks wreck glass in eleven stores
> Police make one arrest
> Window smashing goes on from early evening till after midnight

Many people of Italian origin should not be punished in this way, especially those who were in this country before the last war, unless it can be shown they are hostile. Many are intelligent citizens who have raised families in this country for thirty or forty years and who contributed freely to patriotic funds during the last war, and are in no way responsible for this madman in Italy. But there are many others who have been brought into Canada after 1927 and recently who should be brought under these regulations. If we are fighting the German and Italian peoples overseas, I believe war ought to be brought home overseas to those peoples. There is no use in saying that it is not the Italian people or the German people we are fighting. I am glad to see that at last the hour of truth has arrived and that now the allies have reached a showdown with Hitler. Until a month or so ago nearly all fighting had been on the sea, with the exception of the invasion of Norway and

Finland. Now Hitler has extended the war by bringing in Italy. It is unfortunate that this conflict of nazism and fascism should have been brought about by the union of paganism and mechanization and that we should be living in days of barbarism, when freedom and liberty are in jeopardy from savage dictators. The question is whether or not the allies and the British empire shall return to the dark ages. If we do not win this war we are doomed, together with all we hold sacred. Even life itself will not be worth living.

I want to remind hon. members that under the constitution the ministry is responsible to parliament, and parliament cannot hand over this task to any other body, even to a committee. It is never right or desirable for us to criticize allied governments, as was done yesterday. I only desire to direct attention to where the responsibility lies for these regulations and for the conduct of the war. It will not do to try to hand over that responsibility to the civil service, the deputy ministers, the best minds in the country, the Canadian corps or newspapers or anybody else. The real power of the people lies with the ministers and not with parliament. They should not hand their powers to others. Since the session has opened they have become more amenable to public opinion. If the government has made mistakes in connection with side-stepping compulsory registration of man power and national service it should not be afraid to tell the people of Canada that it has made mistakes. I say to my right hon. friend, the Minister of Justice (Mr. Lapointe) and to the Prime Minister (Mr. Mackenzie King): Don't be afraid to tell the people you have made mistakes, as the people of Canada do not expect their ministers to be gods. They do not expect that their ministers will not make any mistakes. They know that all governments are human and make mistakes, and the government should not be afraid to say we will go forward and remedy the mistakes. If there is any criticism, then matters should be corrected. If the ministers will tell the people of Canada about these new regulations, the difficulties under which they are working, those people will rise to the occasion and give the government the necessary support, so far as they can, no matter how drastic these war regulations are, to save Canada from the dictators and their fifth column.

It has been very hard for the man on the street to find out what has been going on, so far, and to get the facts on defence and foreign affairs. Canada wants action from the government. It wants action by this government on land, sea and in the air. We want real activity, and no more inaction, doubt, fear and delay, and we do not want any more evidence of an inability to act against the enemy from within and from without Canada, or any more indecision as to what should be done.

Nothing is "as usual" in France and Britain, but it is in Canada, because people have not taken the question of defence seriously, and never have since Munich, because they could not get the facts. Instead of Canada being at real war last winter it was conducting a limited liability secret war— recruiting on-again-off-again. There was more life in a kind of sporting war, and was bringing in professional wrestlers from all countries, even from our enemies. Nothing is as usual over in France and Britain. They want to save liberty and freedom. Hitler and Mussolini are not going to be vanquished by passing motions, or by our voting for the enforcement of Defence of Canada Regulations. They are not going to be vanquished by parliamentary repartee or by blue books, pacifism, peace pacts or protocols. The issue calls for broad national service and sacrifice by all the people of Canada, and no victory can be won without it. The government's plans should be keyed up, measures adopted and defence and war regulations passed to insure such a victory and tightened against sabotage. Canada had lots of warning before and after Munich. She had a further warning on Good Friday of 1939 when Germany shoved Italy into Albania, and when Italy had just deserted the allies in connection with the trouble in Spain and had become a vassal state of Germany. No longer should the ministry listen to the babble of pacifists in Canada. They had their day and led Canada to rely on Washington peace pacts and shams like the league and collective security.

In war the moral issue is of vast importance. Britain and France have now all peoples representing liberty, decency, religion, mercy, truth and justice ranged on their side against the dictators and the powers of darkness and paganism. All those things hated by us are found in the nazi regime, and have been borrowed from Moscow. I refer to terrorism, fear, concentration camps, forced labour, secret police, spies, the hostage system, suppression of the press and of free speech, and persecution of religion. All these things in the nazi system were copied and patterned from Russia and Italy is copying them also. Yes-men and nodders in Germany, Italy and Russia caused this war by their surrender to usurpers.

Great Britain, France and the United States and the world allowed Germany, Russia and Italy to rearm and get away with rapine and murder, and the mutilation of the smaller states. All this was done through the advance

of loans from the allies and from this continent. Russian brutalities surpass only those of Germany, with its wholesale massacres, bestialities and hell on earth let loose.

Had it not been for Great Britain and France Hitler would have been here long ago, and this continent would have suffered the fate of the small countries in Europe. As it is we do not know who will own Canada by the end of the year. Hitler united Canada after the Munich pact. All of us realize the grave change which has taken place. Following Munich we refused to recognize the warning which had been given, and Canada did not take it seriously, but it will wake up if the dictators come here.

We were led to believe there would be no war after Munich, and Canada continued to sleep. The government should immediately mobilize, in view of the change of opinion that has taken place. We should watch our United States border and our northern border. We should watch all borders and beware of the nazi-fascists fifth column under the guise of tourists. I say that 600,000 men should be mobilized, and those men could be enlisted under a voluntary system. They could be drilled and equipped for national service now if action had been taken. Canada would welcome any measures, no matter how drastic they may be, for national defence and to win the war, if the country was once convinced that those measures are an absolute necessity. The then grave danger and grim realities of our absolute lack of defence on land, sea and in the air, as I have urged before, should have been told the people. But they were not given the facts. They are now equally dependent upon Great Britain and France for protection, as in 1812, for all the defence and freedom we enjoy.

The real picture should have been told in parliament last September, and the government should have invited into its confidence immediately all parties, all industrial and financial leaders and leaders of labour especially, and those people should have been told of the absolute necessity for national service. For the duration of the war and for some time after we should have some modified form of state control to help increase industrial effort, and industrial and agricultural planning.

If the people of Canada could only read the exact text of this motion, something they have been denied for some time, there would be some heart searching in Canada as to whether or not enough is being done. The only question is this: Are the regulations necessary, and are they adequate and sufficient for the defence of Canada? Will they protect our people? Will they guard our borders, will they protect our municipalities, our cities and towns, which are absolutely unprotected? During the Ethiopian campaign I called the attention of the house in 1937 to what had happened there, and pointed out, further, that the same could happen from air raids on civilian cities here, in Quebec, Montreal, Toronto, Hamilton or other places in Canada. I pointed out that air raids had been directed against innocent people. I urged upon the government that a survey should be made all over Canada, but nothing was done. As was stated yesterday by the hon. member for Vancouver South, something will have to be done to-day, because the people of Canada are ready to make any sacrifice, and I believe the municipalities and provinces are equally willing, if the government gives direction. That is the only question for us to decide.

The winning of the war concerns every man, woman and child not only in Canada but in the mother country and in the whole of the British empire, no less than in glorious France, Finland, Poland, Bohemia, Belgium, Holland, Norway, Roumania and Turkey, and all other people who know that their fate is bound up with the maintenance of Christianity, liberty and civilization. We should confine our talk to our own efforts and not attack our own allies, or criticize the great work of the mother country and her public men. I have been sorry to see the way criticism has been directed against the British government, and I was grieved to note the vile attacks in the United States press, or a section of it, on the late Prime Minister, Mr. Chamberlain. We should view with the utmost respect what was done over there by our allies who have saved us from invasion while we did nothing.

At the outbreak of the war Britain immediately took command of the seas. She immediately mobilized her army, her air force and navy, and only about one per cent listed themselves as conscientious objectors under conscription. Questions connected with food conservation and control, evacuation and home defence were handled by the government in Great Britain, notwithstanding the efforts of international socialists who did Hitler's work, some of whom were mentioned yesterday in this house. Who are these people? They were mentioned here yesterday, and Hitler has said that his best friends are those international socialists, pacifists and peace societies. They led Britain to scrap the finest army, navy and air force the world had ever seen, with the result that the pacifists must bear the responsibility for bringing on the war. Britain and France did not want

war, but the dictator nations were permitted to rearm, while the international socialists did nothing but aid Russia and the dictators. Further, those same pacifist people in England and Canada persuaded Britain to reduce her capital ships from seventy to fifty, with the result that to-day we have no Atlantic squadron, and have no squadron in the Pacific. I say that those twenty ships were necessary for the defence and protection of England today and to save the world from slavery.

We must not blame Mr. Chamberlain for that. Rather, we can blame the pacifists in England and in Canada, and our dependence on the League of Nations, pan-Americanism and the Monroe Doctrine. We must know the truth in Canada that all we have of liberty, freedom and civilization we owe to the mother country.

In conclusion may I point out that the defence of Canada will not be decided at Quebec, Montreal or Vancouver. That issue will be decided for Canada on the soil of France, in the English channel and in the air and on the French-Italian and German border. If the empire is disintegrated, the whole world will go into chaos and the gifts which are taken for granted, liberty and the right to live one's life in one's own way, will disappear. This is true and every Canadian knows it.

I fail to see what action this committee can take. We had an example of what can happen here in Canada during the last war. Ribbentrop came to Ottawa, was received in the best homes, took copious notes, worked on our public works and in the Molson's bank in Montreal, and suddenly left for home. I understand he worked in Ottawa, Montreal and Quebec before going back to Germany. His brother was interned on Montreal island during the war. Canada does not seem to know Germany and her methods and refuses to awake. A terrible danger is at our very door; it calls for the enforcement of these regulations, for adequate soldier home guards and increased militia.

We have seen enough of the actions of pacifists, peace societies, professors of anti-British propaganda, and the American-German press, all of whom are attacking British statesmen. Hitler himself said that these peace societies and these international pacifists were his best friends. He should know. The lessons gained in the last war seem to have been forgotten. The present generation do not remember the great war. Some hon. members will remember what occurred in Washington at that time. Count Bernstorff was the German ambassador and he and Von Papen engaged in an anti-allies campaign. A series of events occurred in the United States during that time, and unless precautions are taken they will be repeated during this war. Von Papen, now in Germany, is still working for his country against the allies. A British white paper which was tabled in 1916 gives details of the activities of Count Bernstorff and Von Papen in the United States. Certain documents which were found on a journalist at Fairmouth in August, 1915, are detailed in this British white paper. They show the dangerous machinations of the Austrian-Hungarian group. It was finally necessary to recall the Austrian Doctor Dumbra from Washington. Finally the German embassy at Washington was implicated in acts of sabotage which had been carried out in the United States. Von Papen, the military attaché, and Bernstorff, had been in charge of these operations there. They used their diplomatic positions as a shield for the work they were carrying on—purchasing ammunition and other war supplies for Germany; organizing outrages against the United States and explosions in many cities, and general sabotage.

The same thing is quite likely to happen to-day. According to the Cleveland *Plain Dealer,* of the issue of May 6, the German ambassador is reported to have said in Cleveland that Britain has no right to Canada, that she should give up Gibraltar and other possessions. The government of the United States knew what was happening in the last war, but because of the German vote and the nearness of a presidential election in 1916, nothing was done. However, Bernstorff and Von Papen and Captain Boy-Ed went to such lengths that the United States government were finally forced to ask the recall of Bernstorff and others. Great Britain and France did not want to grant safe passage, but they were finally permitted to return to Germany. But they took with them many of the secrets of the United States government, to hurt the allies.

We should tighten up the regulations now, and the government should take responsibility. We should place more restrictions upon free entry into Canada under the guise of tourist traffic. We should not forget what happened during the great war. Thousands of people were permitted to enter the country at Niagara Falls and other border points, and hardly any effort was made to check them. If necessary, the United States and German radios and pro-nazi propaganda should be cut off. The morale of the people should be kept up and the nazi gutter press of the United States and the pacifist student bodies should be regulated. The element of time has a greater value in time of war than

in time of peace. Every delay in time of war is deadly. This is what Napoleon said. It is now a fight to a finish. Either Germany is beaten or the British and French empires will end and crumble. The civilization and liberty for which our ancestors fought will be at an end. The history of Canada for the past five years has been one of wasted opportunity. We have neglected to carry on the necessary preparations and have been too late in everything. We have done nothing to help check Germany as that country smashed her way during the past three years from one grab to another. She went on with bluff, bluster and buncombe until to-day she challenges the very life and existence of Great Britain and France; she did it all on loans from the allies—and now vulture Mussolini helps. All along Canada has refused to face the fact that our very existence is in danger.

On June 5 I asked the government:

What was the tonnage and value of pig iron, scrap iron and copper exported by Canada to Germany, Russia, Japan and Italy for each of the years 1935 to 1939?

How many tons of coal of all kinds were imported into Canada from Germany and Russia respectively, annually from 1934 to the end of 1939?

These questions were answered by an order for return, and I have the return before me. It shows how these exports helped Germany and Russia to re-arm; they used it to kill our men. It would be an alarming thing for the people of Canada to see what we have been doing in sending scrap to our enemies.

Mr. SPEAKER: I am sorry, but the hon. gentleman's time has elapsed.

Mr. L. P. PICARD (Bellechasse): Mr. Speaker, the questions brought to the fore by the study of the defence of Canada regulations, proposed by the Prime Minister (Mr. Mackenzie King) in the motion now before the house, are not light ones. They are sufficiently important to deserve thorough survey and investigation by anyone who has at heart the freedom and liberty of our institutions and the successful conclusion of our war activities. This is one of the reasons that prompt me to express to this house a few of the thoughts which have come to my mind when considering the issues involved in these measures.

Canada is a free country, chiefly inhabited by the sons of two great liberty-loving nations which have contributed more than any other nations to the cause of freedom and individual liberty. They stand now as the two great democracies of Europe, risking all their wealth, human and material, to defend their ideals of civilization against the barbarous assaults of the totalitarian states. Canada, a free nation, has joined the two countries that contributed to its birth in their crusade against the threat of slavery and the menace of despotism which overshadowed Europe at the time of the invasion of Poland. Canada is at war.

At a time like this we have to determine which of our liberties we will sacrifice temporarily in order to bring about the success of our cause. We must decide how we are to proceed to ensure the internal safety of our country, at the same time depriving our citizens of as few of their rights as possible. There is no doubt as to the necessity in time of war of suspending certain of our cherished privileges in order to combat new methods of warfare. If we are to benefit from the lessons given to us by the present conflict, it is time that we showed it. The sooner a committee of this house is set up to discuss the question and conscientiously examine the details of the defence of Canada regulations, the better. As the Prime Minister and the Minister of Justice (Mr. Lapointe) have already pointed out to us, representations have been made from two directions, some alleging that the regulations were too drastic, and others that they did not permit sufficiently energetic action to ensure internal safety. A fair study of the question by a committee and its subsequent report should help to clarify the situation and contribute to a better understanding of these necessary steps which were taken by the government on the eve of the war.

I am one of those who believe, Mr. Speaker, that at no time has the government acted so expeditiously to meet an urgent situation as when the present government caused to be drafted and passed the order in council of September 3, 1939, which embodies the special regulations for the defence of Canada, derived from the authority of the War Measures Act. I will go further. I think that any unbiased person who carefully reads the regulations and the amendments subsequently made will be forced to admit that the government has acted not only swiftly but wisely as well, and that it has thereby provided the country with the necessary means, under the War Measures Act, to cope with most of the situations arising out of the war, whether concerning the economic life of the country or its security against internal troubles and sabotage. Few people in the country yet appreciate the full scope of these measures, but had it not been for the far-sighted action of the government in passing them, many citizens would long ago have been experiencing griefs caused by the innumerable abuses that would have taken place chiefly in the economic sphere but which have been avoided by the regulations.

As to the control over trade, we have so far heard very little complaint, and rightly so. By the steps which the government took under the War Measures Act it has been able to stabilize prices, avoid profiteering and panicky reactions in the handling and merchandising of certain commodities. The very slight increase in the cost of living in Canada since the war started as compared with the increase that has taken place in other countries of the world is eloquent testimony to the wisdom of the action of the government in establishing these measures.

Strangely enough, this side of the question has not been the subject of many comments; is it that the freedom of trade has less appeal to the imagination than freedom of speech or freedom of the press? Or is it that the benefit of these regulations concerning the control of trade are so evident as to render any criticism impossible?

The main points with which we are faced to-day in the consideration of these regulations seem to concern, on the one hand, the internal security of the country—that is, the preventing of sabotage, the treatment of aliens and the control of information—and, on the other hand, the limitations imposed on certain liberties which we have been used to consider in our democratic country as the essential right of every individual, namely, freedom of the press, the freedom of speech and the liberty of association. To these latter questions may be added the much discussed issue of the outlawing of certain associations and so-called political parties.

Let us first consider the internal security of the country. Some people in many sections of Canada have been driven to the verge of hysteria by the alarming pronouncements of certain men who should have known better than to treat injudiciously a question which they had not well investigated. If I may be permitted a personal reference I may say that when the proclamation under the War Measures Act which was issued on September 1, 1939, was being considered and when the order in council embodying the defence of Canada regulations was being drafted, I had the honour to serve under the Minister of Justice as his private secretary, and I can say that at no time have I seen such painstaking efforts as were made by the officials of the Department of Justice and of the Royal Canadian Mounted Police to embody in this document all the items necessary to enable the government to cope in the event of war with any emergency affecting the internal security of the state. I might add that after a close association over many years with the heads of the Royal Canadian Mounted Police I can safely say that they had at all times the situation well in hand. I know positively, Mr. Speaker, that the Royal Canadian Mounted Police have to direct them, in the person of Brigadier Wood, a man of valour who knows the force better than any other man, and one who can get from it more service and greater devotion than any other commissioner ever did.

Mr. POULIOT: Hear, hear.

Mr. PICARD: He is a man whose coolness in any situation, coupled with an admirable clearness of mind and sincerity of purpose, is a guarantee of his fitness for the job in a period such as that through which we are passing. I do know also that he is assisted in the direction of the force by men who have had a splendid training and possess an enviable record of public service, and that they have under them a body of men of whom Canada may well be proud. The internal security of the country, the preventing of sabotage and the treatment of aliens have been entrusted to these men by the Minister of Justice, under whose direction they supervise and administer the defence of Canada regulations which have to do with the aforementioned questions. Therefore the country need not be alarmed; it has, under the authority of the Minister of Justice and the commissioner of the Royal Canadian Mounted Police, the most capable and efficient body of men in Canada standing guard to protect and safeguard its security from within.

Another school of thought, Mr. Speaker, seems to be very much perturbed over the idea that certain of these regulations may infringe upon the rights and liberties of the citizens. Some go so far as to say that the main principle underlying the present conflict being the safeguarding of human liberties, we should in a truly democratic country make a point never to interfere with these sacred liberties. As I stated earlier in my remarks, we have to consider now what portion of our liberties we must temporarily sacrifice in order to render more effective our cooperative effort towards the victory of our ideals.

The present war is more than a war of nations; it is a war of cultures; it is a war between two moral doctrines, between "two systems of social, political and economic organization".

Our enemies have crushed all liberties and have subdued all individuals to the service of the state. They have thereby created a homogeneous entity deriving its strength from its unity of purpose and from the abandonment of the rights of the citizens. If we want to avoid the spreading of such a system to

our hemisphere, is it not worth while for us to make voluntary sacrifices which are small indeed compared with those exacted from the peoples under German domination? I think the time is ill chosen by some people to complain about the very few restrictions which the war has made it necessary to impose on our liberties, when we consider what might happen to our allies and to ourselves should our enemies win the war.

As to the banning of the nazi, fascist and communist organizations in Canada, I do not think many in this house will question the advisability of the recent governmental decree. I for one rejoice over it. Those who still proclaim that this action is a blow to political liberties should think deeper. The nazi and fascist doctrines are rejected by all Canada, except possibly by a few erratic-minded persons, by some German and Italian nationals and by some naturalized Germans and Italians.

The doctrine of Aryan or German racial superiority, which is the basis of nazism, cannot appeal, I imagine, to any intelligent person outside Germany. The doctrine of the totalitarian states can appeal only to those who imagine that they could play in a regime of force a role they were never able to achieve in a free country. No sympathy that I know of has been directed therefore to the outlawed nazi and fascist organizations.

As to the banning of the communist party, nearly all the population have approved it, but it appears that in certain sections efforts are made to have it considered as a first step endangering political liberties and freedom of thought. Some people argue that communism is an economic and social theory and therefore cannot be stopped. This is far from being true. Communism is a total doctrine offering its own specific solutions to all the great problems of man and life. It is a materialistic doctrine which is opposed to all that the western civilization has cherished since the advent of Christ. It has become more than that when put into practice; it has become a monstrous impersonation of the state over individuals and it has gone nearly as far as the nazi doctrine in destroying the minds of its subjects the better to enslave them. Some of the economic and social ideals of communism might have appealed in the past to a number of young minds in quest of a different economic system. It is true that our present system has allowed many faults and abuses to permeate it. It is true that humanity will ever strive towards an ideal of general welfare and always tend to reach the stage when the largest percentage of the population will have the minimum elementary comforts which the present system has not yet found a way to grant to such a large number of human beings. It may be that the world will evolve many systems before it finds the right one, if it ever does; but I personally am convinced, Mr. Speaker, that communism, as practised actually in certain parts of the world, is not the panacea for all ills its advocates want us to believe. It has become repugnant to most of us not so much because of the nature of its ideals as because of the methods it has used. No real Liberal at heart can approve the crushing of liberty that has taken place in the name of communism. No real Liberal can accept the negation of the liberty of creed, nay, the negation of all creeds which the communist state has made a part of its programme. If communism had been only a social and economic theory, it might have been permitted to have a certain amount of speculative thought, but if we consider its entire aspects and if we analyse its method of operation in Russia we only too well realize the danger of its doctrines. Liberty of the masses has become oppression of the masses; liberty of thought has become compulsion of thought.

Communism has been the absolute negation of liberalism. While liberalism fights for the liberty of creed, communism has denied the right to believe and has persecuted all creeds. While liberalism stands, in normal times, for the liberty of speech, of press and of thought, communism means compulsion and negation. All true liberals, all true Canadians, will approve the action of the government in outlawing the communist party.

In conclusion, Mr. Speaker, may I say that it is the duty of all Canadians to help the government enforce the defence of Canada regulations. The committee which is the object of this motion will report to us if it deems advisable to alter them. We shall have the opportunity of expressing our views before doing so. Until then let us trust the government to carry on the task of using these regulations to safeguard the internal security of the country.

Canada will not let its internal enemies use free speech to deprive its people of it.

Canada will not let them use the right of assembly to organize semi-military associations.

Canada will not allow the freedom of the press to cover up traitorous propaganda.

Canada will not let the fifth columnists run down its form of government to help the enemy.

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, the statement which the Minister of Justice (Mr. Lapointe) gave to the house on Monday of last week, while helpful in some respects, does not deal with an important aspect of the situation. The scolding which he administered to those of us who are seriously concerned about possible fifth column activities will not help to relieve our anxieties.

It is foolish for the dominion leaders to deny that they have been lax in the matter of rounding up the agitators. For many months now, action has been awaited, but the government has apparently been waiting for the various groups to start something and then it will be too late.

The Minister of Justice stated on Monday of last week that no active sabotage had yet taken place. Surely he does not intend the police force to continue to stand idly by watching aliens, and do nothing until they have committed sabotage. The world has had many illustrations of the serious consequences of fifth column activities. There is no doubt now that the break through of the powerful German mechanized army into neutral countries was made possible by fifth column traitors in those countries. We have, in addition, the great betrayal by a king, which jeopardized the safety of the British and French forces in Belgium, while they were responding to his urgent call for help, but thank God the day was saved almost by a miracle — the glorious, almost impossible achievement of the British army, navy and air force, ably assisted by her illustrious ally, France. When even a king was capable of being a traitor to his own people and to his allies, why should there be any qualms about interning, until the war is won, all suspected aliens of German birth? Now that Mussolini has taken his appointed place among our treacherous enemies, enemies also of mankind, will the Minister of Justice give an assurance to the house that he will immediately make use of the powers vested in him by regulation 21 of the defence of Canada regulations?

The Minister of Justice told us that the police were keeping careful watch on these people now increased in number by the entry of Italy into the war, but I ask him how this is possible when the whole Royal Canadian Mounted Police, even with the additional five hundred which he promises, will enable us to have only one member of this force per mile across Canada from east to west and none at all from north to south? Even if supplemented by the local police, and by the small home guard of three thousand, spread over our vast country they are powerless to prevent sabotage. The fact that as yet none has taken place in no way allays our fears. The fifth column working underground was so successful in Oslo that fifteen hundred Germans succeeded in capturing a town of 300,000 inhabitants without a shot being fired.

A number of members of this house have already drawn the attention of the government to the exposed position of some of our great public utilities.

The Prime Minister (Mr. Mackenzie King) in the house yesterday stated that at the beginning the government was criticized on the ground that the regulations were too severe, and is criticized now on the ground that they are not severe enough. My criticism is simply that the Minister of Justice has failed to use the power vested in him by regulation 21, and as a consequence there are thousands of potential quislings entirely free to roam about our country, to prepare plans in advance and to strike and perhaps cripple us at vital points at the moment when it suits their employers to have them do so.

Mr. SLAGHT: Will the hon. member permit a question now, or would he have me wait?

Mr. BRUCE: I would rather finish, if the hon. member does not mind.

May I refer to a speech dealing in part with this grave question of subversive activities delivered on Friday last, June 7, by a prominent Liberal, Hon. Gordon D. Conant, attorney general of Ontario. He was speaking at a banquet of the University college Alumni association in Hart house, Toronto, and specifically dealt with the following statement recently made in this house by the Minister of Justice:

> It is a great disservice to Canada and the allied cause to spread stories that Canada is filled with enemy agents and enemy sympathizers.

The attorney general said that if in this statement the minister meant that exaggerated and alarmist stories are a disservice, he entirely agreed. But he could not agree that it is a disservice to discuss and to make known conditions which on reasonable and proper grounds are believed to exist. The danger, he held, is much more likely to be overcome by realizing and facing the facts than by closing our eyes to them. Nor could he, from his daily experience with subversive activities, and reliable information in his possession, share the confidence of the Minister of Justice that the so-called fifth column is being adequately met by the police and the authorized military guards. Mr. Conant agreed that the police were aware of most, if not all, the enemies within our gates,

but could not agree that at present these subversives were being dealt with adequately. No man is in a better position to speak with authority on the problem than the attorney general of a province, charged as he is with the responsibility of administering the law; and Mr. Conant pointed out that the remedy is in the minister's own hands, readily available and not difficult to apply. The minister has the power to intern all suspects subject to their right of appeal. That, says Mr. Conant, is the only proper and effective way to meet the present very serious emergency. The minister has already taken such action in certain cases, and it is simply a matter of extending the exercise of his powers. Mr. Conant made it clear that he did not suggest interning everybody concerning whom there is rumour or gossip. So far as Ontario is concerned, there is ample evidence on file in various police departments regarding persons engaged in subversive activities and he would gladly furnish the Department of Justice with the relevant facts.

He commended and congratulated the minister on having advised the government to declare illegal a number of subversive organizations, but appeals to him to go a step further. As matters now stand it would be very difficult to prove that an individual was a member of an unlawful organization on or after June 6, when the proscription came into effect. Persons bold enough to commit overt acts can be easily detected; but there remain the secret meetings and the insidious propaganda which must be dealt with in another way. The minister, he said, had power to deal with the matter by interning all persons, who, after proper investigation and on reasonable grounds, are believed to be members of subversive organizations; subject always to the right of appeal.

The province of Ontario is making an effort to provide protection against fifth column activities by the organization of volunteer civil guards, and it is hoped that it will help to meet the situation. But it would be far better if this were undertaken by the federal government, which, under the constitution, is vested with control of all matters having to do with militia and defence. It is contrary to our scheme of confederation that an army should be developed in any province at the command or under the jurisdiction of any official of that province. I think this house will agree with the attorney general of Ontario that it would be more in keeping with the continuance of our national structure if the organization of civil guards, aimed at protection against subversive activities, were taken over by the federal government.

[Mr. Bruce.]

For the purpose of clarity may I say that subversive elements may be divided broadly into two classes—namely, first, enemy aliens, and second, all others. "All others" include British subjects and nationals of any country with which we are not at present at war. Under the defence of Canada regulations, the Minister of Justice deals with all enemy aliens by interning them, or by leaving them at large on terms that they report, et cetera. Up to the present, and subject to the exception arising out of the arrests in Toronto on or about May 28, when two persons were taken into custody and interned under regulation 21 without any court procedure or trial, or anything else, it has been left for the attorney general of a province to deal with all subversive elements other than enemy aliens, although the Minister of Justice has ample power to deal with these people under regulation 21, by interning them the same as enemy aliens. Leaving it for the attorney general of a province to deal with these subversive elements—other than enemy aliens—has the following result:

(a) The attorney general can only act after an overt act has been committed, that is, when the person has actually done or said something that constitutes a violation of the regulations.

On the other hand, under regulation 21, the Minister of Justice could intern on reasonable grounds and before an overt act has been committed.

(b) The attorney general can only proceed in the regular course of law, subject to all the procedure and rules of evidence.

This involves strict proof "beyond a reasonable doubt". The general principle of law applies in the defence of Canada regulations, namely, that the crown must prove its case beyond a "reasonable doubt".

In the order in council dated June 6, 1940, regulation 39(c) was added to the defence of Canada regulations, declaring certain organizations to be illegal organizations. Under regulation 39(c), subsection 3, if a person is charged with continuing to be a member of an illegal organization, as evidenced by attendance, public advocacy and distribution of literature, it shall be presumed in the absence of proof to the contrary, that he is a member of such illegal organization. This, in fact, throws the onus on the accused person to prove that he is not a member of such illegal organization. In this sense, the expression "proof beyond reasonable doubt" is qualified; but when one remembers that proof must still be obtained of "attending at, publicly advocating, or distributing literature", there is a heavy onus of proof still remaining. Evidence

will be difficult because these people will always try to lie themselves out of any charge. On the contrary, the Minister of Justice can act on any evidence as he sees fit. For example, if the attorney general of a province reports to the Minister of Justice that his police had fully investigated, say, "John Smith", and that in his opinion he should be interned, that might be regarded as sufficient to justify the internment of the man. It would amount to nothing, however, in a court of law.

Procedure by the attorney general of a province in the ordinary courts of law makes it impossible to deal with most of these subversive people because of the rules of evidence, the burden of proof and so on, and also because witnesses are reluctant to appear in court because of fear that some retribution may be visited upon them. On the contrary, a witness could give his evidence to the Minister of Justice by way of affidavit or otherwise. No person would ever know that he had given such evidence, and he would be under no fear of dire consequences.

Procedure in the courts of law involves delay and, of course, expense. The procedure may involve first, a preliminary hearing before a magistrate; then, if he is committed, a trial before a judge or before a judge and jury. While the attorney general has the right to require them to be tried before a magistrate, he is always on the horns of a dilemma in such cases, because the punishment when tried before a magistrate is much lighter than when tried on indictment, so that in serious cases an attorney general, to do his full duty, must direct trial on indictment before a judge or before a judge and jury; and this, of course, involves further delay, particularly if it is before a judge and jury which must wait for an assize or the sessions. After the trial is all over, in whatever tribunal he may be tried, the person has the right to appeal, which may involve a further delay of perhaps as much as two months.

The Minister of Justice has made reference in the house to the order made by Mr. Justice Chevrier, rather suggesting that with this further instrument communists could be suppressed. In the first place, the order of Mr. Justice Chevrier was based on the conviction of the Binders and Saunders. All three of these defendants have appealed. If the Minister of Justice had not declared the communist party to be an illegal organization, by order in council dated June 6, the illegality of the communist party would depend entirely upon the success or failure of the Binder appeal. Even if the order is confirmed by reason of the convictions being confirmed, the scope is very narrow and limited. Regulation 39(c)3, order of June 6, should define "meeting" to include concerts or social gatherings of any kind, or any gathering or concert held under the auspices of any of the organizations named in the June 6 order, or meetings held under any other organization, group or individual, where speeches of a communistic character are made or where a communist takes an active part in the meetings. Such an eventuality should be covered by the order in council. There is always difficulty in getting evidence because of the secretive nature of these organizations. Drive them under cover by banning public meetings, and they will still be able to hold small meetings in private houses.

It would not be sufficient to prove that a person was a communist or that he held communistic views, and so on. The crown would have to prove that he was a member of the communist party of Canada since the Chevrier order dated May 15, 1940. It would not be sufficient to prove that he was a member of the communist party of Canada a week, a month or a year before. Under these circumstances it can be assumed that the number of cases in which the crown could succeed on these very strict and narrow grounds would be extremely small. The evidence in the hands of the police that the individual was a member of a communist organization between September 3, 1939, and June 6, 1940, cannot be used unless the order in council is made retroactive to September 3, 1939.

I understand that the province of Ontario has prosecuted and convicted more persons under the defence of Canada regulations than all the other provinces combined, but in spite of this they have only scratched the surface. I understand that the police of the province of Ontario and the Toronto city police have in their files scores of cases which should be seriously considered for internment, and that most of those concerned should be interned.

One of the most disturbing factors in the present war has been the effective use made by the Germans of the secret agent. These secret agents have gathered information concerning the location of troops and of military objectives. Is there any wonder that our citizens are alarmed lest we suffer as have Norway, Denmark, Holland and Belgium? Has the minister received a communication from the police association of Ontario stating that they have information respecting persons regarding whom complaints have been received as to their nazi or fascist activities, as well as persons known to have been active in communistic organizations of this province? Has

the minister received from this association a list of names of persons who should immediately be placed in internment camps, because of the danger of obstructing directly or indirectly Canada's war effort?

In all of these cases, however, the police are not able to adduce evidence to bring them into court, either because they have committed no overt act or because witnesses cannot be induced to appear in court to give evidence to convict them. If the Minister of Justice would exercise the power vested in him under regulation 21, the procedure would be very simple and about as follows: Upon receipt of representations that any person should be interned—which representations might be made by any chief of police, the Royal Canadian Mounted Police, the Ontario provincial police or the attorney general—he would refer the matter to an organization within his department, headed perhaps by the deputy minister of justice and including other legal and police officials. That organization would sift the evidence and recommend to the Minister of Justice what should be done. He would then either act on the recommendation or ask for further evidence as he might see fit. It must be remembered that anybody interned by the Minister of Justice has the right to appeal to a tribunal which it is the minister's duty to set up. This tribunal under the regulations is presided over by a judge of a superior court. It will be clear, therefore, that no great hardship would be done if a person were improperly interned; no doubt the tribunal would straighten it out in short order. It is conceivable that if the minister exercises his powers under regulation 21 some few persons might be improperly interned. It becomes a question, therefore, as to whether the inconvenience of these few persons should weigh against the safety or perhaps the survival of the state.

I have been in contact with police authorities and find them seriously alarmed about the freedom allowed to enemy aliens and the subversive elements in this country. They cannot understand the complacency with which this dangerous situation is being met. Internment is not a fitting punishment for some of these people. Should not the Minister of Justice profit by the example of Great Britain and France and take capital power, and when necessary enforce it? I am not arguing for this method of dealing with crime in peace time, but it is essential in time of war. If Canadian lives are lost as a consequence of not using the power given under regulation 21, a heavy responsibility will rest on the shoulders of the Minister of Justice.

In order not to delay the house I will hand in a list of organizations and publications which have not yet been outlawed by the government, but which should be banned forthwith. All these have been actively associated with the spreading of subversion. Some may be inactive at the present time, but there is a danger that they may again become active in order to take the place of organizations which have been outlawed. With the consent of the house may I place the list on *Hansard* without reading it?

Some hon. MEMBERS: No.

Mr. BRUCE: Shall I read it?

Mr. ROWE: Read it, then.

An hon. MEMBER: Read it all.

Mr. DUPUIS: You are getting plenty of practice; read it.

Mr. BRUCE: I shall now read into the record the names of organizations and publications which as yet have not been outlawed or banned by the government. All have been actively associated with the spreading of subversion. Some may be inactive at the present time, but there is a danger that they may again become active, in order to take the place of organizations which have been outlawed.

Mr. RALSTON: Is my hon. friend making the statement, himself, that all these organizations have been guilty of subversion, or is it made on information received? On what is so wide and general a statement made?

Mr. HANSON (York-Sunbury): I do not think the hon. member should be cross-examined.

Mr. RALSTON: I am not cross-examining, but I want to know whether the hon. member makes the statement himself, or whether it is made on information received.

Mr. HANSON (York-Sunbury): He has made the statement.

Mr. ROWE: The government has been asking for it.

Mr. HANSON (York-Sunbury): Read the list.

Mr. BRUCE: The list of organizations is—

Mr. RALSTON: Does the hon. member object to my interruption?

Mr. BRUCE: No.

Mr. RALSTON: I have asked whether the statement that these different organizations are all guilty of subversion is made on my hon. friend's personal knowledge, or on information which he has received?

Mr. BRUCE: I have no objection to answering the question.

Mr. RALSTON: I thought my hon. friend had not heard it.

Mr. BRUCE: It is from information received from police authorities.

Some hon. MEMBERS: Oh, oh.

Mr. RALSTON: Where?

Mr. BRUCE: I think I shall let it go at that.

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: You don't answer everything that is not in the public interest, either.

Mr. DUPUIS: But that is in the public interest.

Mr. ROWE: You were asking for this only the other day.

Mr. BRUCE: The following is the list of organizations:

Canadian Youth Congress.
Czecho-Slovakian Workers Club.
Freiheit Choir.
German Workers and Farmers Association (Communist).
Housewives Association (Communist).
Independent Mutual Benefit Society.
International League for Peace and Freedom.
International Left Opposition of Canada (Trotskyites).
Jehovah's Witnesses.
Jugo-Slav Educational Bureau.
Labour League Mutual Benefit Society.
Macedonian-Bulgarian Society.
National Children's Council.
Progressive Arts Club.
Theatre of Action.
Women's Labour League.
Workers' Educational Carpathian Association.
Workers' Sports Association.
Workers' International Relief.

The Housewives Association is well recognized as a communist organization.

The first publication I have listed is known as *Always Ready*. The next is *The Beacon* which, I believe, is the official organ of the Young Communist League. Next is the Canadian *Tribune*, which I am informed has practically taken the place of the *Clarion*. Then comes *Clos Pracy*, a Polish Communist publication, and then follow: *Munkas, New Advance, People's Gazette, The Road, Slobodna Misao, Vapaus*.

Now, Mr. Speaker—

Mr. LAPOINTE (Quebec East): If the hon. member has not completed his observations, I would suggest that he adjourn the debate.

On motion of Mr. Bruce the debate was adjourned.

On motion of Mr. Lapointe (Quebec East) the house adjourned at 5.15 p.m.

Thursday, June 13, 1940

The house met at three o'clock.

THE KING'S BIRTHDAY

RESOLUTION EXTENDING TO HIS MAJESTY LOYAL AND AFFECTIONATE GREETINGS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, as hon. members of the house are aware, to-day, June 13, both in the United Kingdom and in Canada, has been set apart by statute for purposes of official observance of his majesty's birthday. Hon. members will recall that last year his majesty's birthday was officially celebrated on May 20, and that at the time their majesties were in this the capital city of the dominion. The members of both houses of parliament had the signal honour of entertaining the king and queen at dinner on the evening of the king's official birthday.

A year ago to-day, June 13, 1939, their majesties were concluding the tour they had made throughout Canada. They had just completed their memorable visit to the United States and, if I am not mistaken, on that day were in the province of my hon. friend the leader of the opposition (Mr. Hanson). That was the day prior to their arrival in Prince Edward Island and subsequently in Nova Scotia, and their departure from Halifax for the old land.

I am sure it will accord much with the wishes of hon. members and of the people of Canada whose representatives we are that a message should be sent from this House of Commons to the king letting his majesty know that the memories, of which I have just made mention and which will ever constitute one of the most cherished pages in the story of our national life, have been vividly revived by to-day's associations, and extending to our gracious sovereign an expression of our most loyal greetings on this the occasion of the observance of his majesty's official birthday.

I have accordingly prepared a resolution which I believe expresses sentiments that will be warmly welcomed by all. I have shown the resolution to my hon. friend the leader of the opposition. He has said he would be pleased to second it.

With the permission of the house, therefore, to waive the rule requiring notice, I would move, seconded by Mr. Hanson:

That, on this, the occasion of the official observance 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 affectionate

greetings to Your Majesty on this day set apart for the official observance in Canada of your Majesty's birthday.

Just one year ago Your Majesty and Her Gracious Majesty the Queen were receiving the united acclaim of the Canadian people as your memorable tour of the Dominion was drawing to its close. To-day, our feelings of loyalty and affection for your majesty and our regard for the freedom of British institutions symbolized in the crown are stronger and deeper than ever.

We have witnessed with all the pride of devoted fealty how your majesty has discharged your high and solemn duty with undaunted courage, wisdom and understanding.

In this dark hour when the ruthless ambitions of wicked men have shattered the hopes of the civilized world, the people of Canada vividly recall how faithfully you laboured to prevent the calamity that threatens the world's freedom.

Your peoples stand resolute in the defence of the liberties of mankind. Steadfast in the noblest of causes, united in purpose, we are heartened by the inspiration of your example.

We pray that divine Providence may continue to guide and guard your majesty in the discharge of your high responsibilities and that you may be vouchsafed continued strength and many years in the maintenance of the glories of your ancient throne."

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I have never risen in this house with greater pleasure or with a heart and mind more full of loyalty and fealty to His Most Excellent Majesty the King than I do on this occasion. And with all our hearts we, His Majesty's Loyal Opposition, reecho the sentiments of loyalty and devotion which are contained in this resolution as well as those which have fallen from the lips of the Prime Minister (Mr. Mackenzie King).

As stated in the resolution, just a year ago their majesties were receiving the united acclaim of all the Canadian people, irrespective of race, class or creed. To-day, having regard to all the rapid changes from peace to war, the people of Canada are more devoted, more loyal if possible, and more attached to the persons and fortunes of our gracious and illustrious sovereign and his gracious queen than ever before. We admire his high courage and resolute purpose which have been an inspiration and guide to all his people. Their high courage and calmness at this most critical period in the history of the nation is to us, his majesty's Canadian subjects, an example which we may well follow.

May I say humbly and with the greatest sincerity that because of what has happened and is happening over there I have had no great heart for party conflict or party warfare. There is a time and place for everything. Party strife and party warfare have a place in normal times, but in days such as these I feel that such matters fall into insignificance. Let us get on with the work of this house; let us get on with Canada's war effort, each putting forth our best so that we may present a common front along with our mother country and her gallant allies to the common foe. Let us all reverently, yea, with affection, say in unison, "God save the King".

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, on this, the official birthday of His Majesty the King, it is fitting that a resolution such as this should be passed by the House of Commons to demonstrate anew our unity in the great struggle in which the British people and our French allies are engaged. We support the motion most heartily.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, of all the movements which are extant in the British empire, there is none more devotedly and enthusiastically loyal to the king and queen of Britain than the social credit movement. We will rejoice in supporting unanimously this resolution.

Motion (Mr. Mackenzie King) agreed to.

Whereupon the members of the house rose and sang

God Save the King.

THE LATE HON. NORMAN ROGERS

INTERMENT OF ASHES IN SOLDIERS' PLOT, BEECHWOOD CEMETERY, OTTAWA

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to inform hon. members that I have received word that the ashes of the remains of the late Minister of National Defence were brought back from Montreal to Ottawa at noon to-day and have been interred in the soldiers' plot at Beechwood cemetery. The burial took place in the presence of the family, the Reverend Stuart Ivison officiating.

LIBRARY OF PARLIAMENT

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

That a message be sent to the senate to acquaint their honours that this house has appointed the Hon. the Speaker and Messieurs Adamson, Aylesworth, Blanchette, Bruce, Cardiff, Casselman (Grenville-Dundas), Castleden, Coté, Emmerson, Eudes, Farquhar, Fontaine, Fournier (Maisonneuve-Rosemont), Gershaw, Goulet, Graham, Green, Henderson, Howden, Hurtubise, Jaques, Jean, Lizotte, Macdonald (Halifax), MacKenzie (Neepawa), MacKenzie (Lambton-Kent), Macmillan, Marier, Martin, Mayhew, Moore, Poirier, Pouliot, Purdy, Raymond, Reid, Rickard, Ross (St. Paul's), Shaw, Telford, Winkler, Wood and Woodsworth, a committee to assist His Honour the Speaker in the direction of the library of

parliament, so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

PRINTING OF PARLIAMENT

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

That a message be sent to the senate to acquaint their honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that Messieurs Bercovitch, Bertrand (Terrebonne), Blanchette, Bourget, Casselman (Grenville-Dundas), Castleden, Chambers, Chevrier, Claxton, Cloutier, Corman, Damude, Denis, Dubois, Durocher, Edwards, Emmerson, Esling, Evans, Ferland, Fleming, Fraser (Peterborough West), Furniss, Goulet, Grant, Green, Hallé, Healy, Hlynka, Hurtubise, Kuhl, Leader, MacDiarmid, MacKinnon (Kootenay East), MacLean (Cape Breton North-Victoria), McGregor, McNevin, Mills, Moore, Mulock, Nicholson, Purdy, Rhéaume, Ross (St. Paul's), Sinclair, Sissons, Soper, Tucker, Tustin, Weir, White, Whitman, Winkler and Wood, will act as members on the part of this house, on the said joint committee on the printing of parliament.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

POLICING OF WALPOLE ISLAND, ONTARIO

Mr. DESMOND:

Is Walpole island patrolled by the Royal Canadian Mounted Police?

Mr. LAPOINTE (Quebec East): Yes. There is also an Indian supernumerary constable stationed on the reserve on Walpole island.

DEFENCE OF CANADA REGULATIONS—PROCEDURE IN CASES OF CONTRAVENTION

Mr. DESMOND:

1. Has the Royal Canadian Mounted Police authority to take action in the way of prosecution or otherwise, with regard to alien foreigners committing a breach in wartime regulations, without recourse to the municipalities?

2. What legislation provides for the prosecution of aliens committing breaches of the War Measures Act?

Mr. LAPOINTE (Quebec East):

1. Yes.

2. Regulation 63, subparagraphs 1 and 2.

PENHOLD, ALTA., LANDING FIELD

Mr. SHAW:

1. What has been the total expenditure on the landing field at Penhold, Alberta?

2. How much of this amount was for purchase of property?

3. How much of this amount was spent on: (a) local labour, (b) outside labour?

4. Was the work on this project done by contract?

5. If so, how many different contracts were let, to whom, and on what respective dates?

Mr. HOWE:

1. Total amount of expenditure to March 31, 1940, $88,770.11.

2. $7,950.00.

3. The work in connection with the field development and construction of buildings at this airport was undertaken by contract. The following clause appears in the terms of contract entered into between this department and contractor: "In the execution of the works, as far as practicable and consistent with reasonable efficiency and economy, first consideration shall be given to the employment of those who, if available and competent, are most in need in the locality in which the works are to be performed, without any discrimination whatsoever, preference being shown to unemployed ex-service men, unemployed married men and single men with dependents."

4. All of the main field construction and building has been carried out by contract.

5. Four—as follows:

Contract No. 30916. Contractor: Fitzgerald Construction Co. Ltd., Edmonton, Alta. Date of Contract: September 26, 1938. Consideration: $29,286.50. Description: Field development at the Intermediate Aerodrome, Penhold, Alta.

Contract No. 31359. Contractor: A. S. Reid, Red Deer, Alta. Date of Contract: July 27, 1939. Consideration: $21,272.80. Description: Erection of living quarters for Radio Staff (two residences), Airways Building and garage at Penhold, Alta.

Contract No. 31381. Contractor: J. Choiniere, Medicine Hat, Alta. Date of Contract: August 11, 1939. Consideration: $6,268.35. Description: Erection of a Radio Range Station at Penhold, Alta.

Contract No. 31889. *Contractor: Fred Mannix, Vancouver, B.C. Date of Contract: June 1, 1940. Consideration: $10,930.00. Description: Additional field development at Penhold, Alta.

*War Appropriation—No expenditure has been incurred to date in connection with this contract.

HOME IMPROVEMENT PLAN

Mr. GRAYDON:

1. How many loans have been made in each year under the home improvement plan in (a) Canada, (b) Peel county?

2. How many has been so loaned in each year in (a) Canada, (b) Peel county?

Mr. RALSTON:

1 and 2.

Canada	Number of loans	Amount of loans
Nov. 1-Dec. 31, 1936.. ..	3,159	$ 1,198,253
Jan. 1-Dec. 31, 1937.. ..	30,772	12,051,873
Jan. 1-Dec. 31, 1938.. ..	28,077	11,516,423
Jan. 1-Dec. 31, 1939.. ..	36,042	14,706,228
Jan. 1-Apr. 30, 1940.. ..	7,285	2,745,968
	105,335	$42,218,745
Peel County		
Nov. 1-Dec. 31, 1936.. ..	3	$ 1,850 00
Jan. 1-Dec. 31, 1937.. ..	120	54,617 12
Jan. 1-Dec. 31, 1938.. ..	87	36,141 40
Jan. 1-Dec. 31, 1939.. ..	119	47,187 40
Jan. 1-Apr. 30, 1940.. ..	16	5,414 22
	345	$145,210 14

The above figures refer to loans made in municipalities within Peel county. It is possible that some further loans may have been made in other municipalities but used for improvements to properties in Peel county.

HOG CHOLERA

Mr. GRAYDON:

1. How many hogs died from cholera in Canada in each of the years 1936 to 1939 both inclusive, and in each month up to and including the month of May in the year 1940?

2. What is the total amount of compensation paid by the government to hog owners during each of the aforesaid periods?

Mr. GARDINER: No record is available of the number of hogs that died from cholera in Canada.

The following statement shows the number that were slaughtered in the control of this disease during the periods indicated and the total amount of compensation awarded to the hog owners:

Period	Number of hogs slaughtered	Amount of compensation awarded
Fiscal year 1936-37..	100	$ 286 00
" " 1937-38..	5	46 00
" " 1938-39..	....	.....
" " 1939-40..	7,978	52,222 60
April, 1940..	636	4,389 70
May, 1940..	39	194 00

The figures shown above for the period, May, 1940, are totals as recorded in the Ottawa office of the health of animals division up to June 12, 1940. All reports for that period have not yet been received from the various districts in which outbreaks of hog cholera are being dealt with.

*EUROPEAN WAR REFUGEES—CHILDREN

Mr. GRAYDON:

1. Has the government indicated to the government of the United Kingdom the number of children Canada is prepared to accept under evacuation arrangements?

2. If so, what number has been so indicated?

3. When will the first of such children arrive in Canada?

Mr. CRERAR: Answers to questions similar to these were given in the house several days ago. During the past several weeks communications have been passing between the Canadian high commissioner in London and the British government with reference to this subject, but I am not in a position to give a categorical answer to questions 2 and 3.

Mr. HANSON (York-Sunbury): Have any children arrived yet?

Mr. CRERAR: No.

RADIO RECEIVING LICENCES

Mr. GRAYDON:

1. How many radio receiving licences have been issued during the last fiscal year in Canada?

2. How many persons have been convicted and fined during the last fiscal year for failure to obtain such licences?

3. What was the total amount collected during the last year from the sale of radio receiving licences?

4. How much did it cost to effect such collection?

Mr. HOWE:

1. 1,345,157.

2. 3,175 convicted, of these 2,948 paid fines and 227 were given suspended sentences.

3. $3,037,168.43, plus agents' commissions.

4. Commissions, $231,181.75; administration, $135,229.32.

BUTTER, CHEESE AND EGG IMPORTS

Mr. DIEFENBAKER:

What are the quantities and values of importations of butter, cheese and eggs during the years 1938 and 1939 from, (a) the United States, (b) other countries?

Mr. MacKINNON (Edmonton West): Imports of butter, cheese and eggs, entered for consumption in Canada, from the United States and other countries, during the calendar years 1938 and 1939.

Item	Country	1938 Lb.	1938 Value	1939 Lb.	1939 Value
Butter	United States	8,688	$ 2,624	3,907	$ 1,078
	Other countries	5,223,150	1,409,334	1,737	578
Cheese	United States	90,212	25,154	203,898	74,461
	Other countries	1,296,433	286,481	1,192,815	303,406
		Doz.		Doz.	
Eggs	United States	18,489	9,630	40,922	17,905
	Other countries	15,045	5,330	16,025	5,668

TIGNISH, P.E.I., POSTMASTER

Mr. MACKINNON (Kootenay East):

1. Who is the postmaster at Tignish, Prince Edward Island?
2. For how long has he held that position?
3. Was he recently suspended? If so, for what reason?
4. Has he been reinstated, and if so, for what reason?
5. What is the approximate remuneration for the incumbent of the said position?

Mr. ILSLEY:

1. Timothy P. Bernard.
2. Since 23rd June, 1937.
3. No.
4. See question 3.
5. $1,553.35 per annum.

GERMAN COAL IMPORTATIONS

Mr. BRUCE:

1. How much German coal was brought into Canada in 1939?
2. Was any of this coal ultimately sold to Canadian consumers as Welsh coal?

Mr. MacKINNON (Edmonton West):

1. Imports from Germany of coal entered for consumption in Canada during the calendar year 1939 were 465,818 tons valued at $1,994,747.
2. No information in the Dominion Bureau of Statistics.

*UNITED STATES VISA LAW

Mr. BRUCE:

In view of the action of the United States government in requiring passports and visas from Canadians and others visiting the United States, will the Canadian government take immediate action along similar lines to protect Canada against danger of the entry into Canada of German or nazi agents?

Mr. MACKENZIE KING: This question relates to a matter of government policy, which will be made known in due course. However, I might say to the hon. member that the whole matter of passport and visa requirements as between the United States and Canada and as between Canada and the United States is one which at the moment is being considered by the two countries through their respective legations.

IMMIGRATION

Mr. BRUCE:

1. How many people of all nationalities were admitted into Canada in 1939?
2. What number in each racial group?
3. Is there a quota for each country? If so, what number?
4. Was the quota exceeded in any group, and, if so, in which, and by how many?

Mr. CRERAR:

1. 16,994.

2. Immigration to Canada, by Racial Origin, for the Calendar Year 1939.

	Via Ocean Ports	From U.S.A.	Totals
Albanian	4	—	4
Arabian	2	—	2
Armenian	2	1	3
Belgian	153	19	172
Bohemian	334	8	342
British:—			
English	2,434	1,827	4,261
Irish	382	689	1,071
Scotch	673	711	1,384
Welsh	55	72	127
Bulgarian	23	—	23
Croatian	128	2	130
Czech	312	5	317
Dutch	306	154	460
East Indian	19	—	19
Esthonian	6	1	7
Finnish	63	19	82
French	159	771	930
German	1,071	515	1,586
Greek	128	12	140
Hebrew	1,467	296	1,763
Italian	202	60	262
Japanese	44	—	44
Jugo-Slav	98	5	103
Lettish	1	1	2
Lithuanian	51	5	56
Magyar	360	41	401
Moravian	52	—	52
Negro	10	19	29
North American Indian	—	7	7
Polish	381	58	439
Portuguese	1	2	3

	Via Ocean Ports	From U.S.A.	Totals
Roumanian	23	6	29
Russian	129	41	170
Ruthenian	1,753	13	1,766
Scandinavian:—			
Danish	78	34	112
Icelandic	—	4	4
Norwegian	38	83	121
Swedish	14	76	90
Serbian	30	3	33
Slovak	269	22	291
Spanish	1	12	13
Spanish American	—	1	1
Swiss	75	39	114
Syrian	14	15	29
Total Immigration.	11,345	5,649	16,994

3. No.

4. See No. 3.

INTERNMENT AND RELEASE OF ONE MOSER OF REGINA

Mr. DIEFENBAKER:

1. Was one Moser, of Regina, Saskatchewan, interned shortly after the outbreak of war?

2. If so, has he been released since; when and on what circumstances?

Mr. LAPOINTE (Quebec East):

1. Yes.

2. Yes. Order for release dated April 1, 1940. The circumstances connected with the internment and release of enemy aliens and persons apprehended under the provisions of Regulation 21 of the defence of Canada regulations cannot be disclosed to the public. Such disclosures would involve the publication of secret sources of information which it would not be in the public interest to disclose.

QUESTION PASSED AS ORDER FOR RETURN

CIRCULATION THROUGH MAILS OF PAMPHLET ENTITLED "WHY WE SHOULD OPPOSE THE JEW"

Mr. HATFIELD:

Will the government take the necessary action to prevent the circulation through His Majesty's mails or otherwise of a pamphlet, copies of which were sent to all members of the House of Commons, entitled "Why We Should Oppose the Jew," by Dr. P. E. Lalanne?

Mr. CASGRAIN: Return tabled.

[Mr. Crerar.]

VETERANS HOME GUARD

ORGANIZATION OF INFANTRY COMPANIES, C.A.S.F., AND INFANTRY RESERVE COMPANIES

On the orders of the day:

Hon. C. G. POWER (Acting Minister of National Defence): Mr. Speaker, I should like to make an announcement with respect to the use of services of veterans of the great war.

On May 23 the late Hon. Norman Rogers said in the house:

> I wish to advise the house that it has been decided to establish immediately a force to be known as the "veterans home guard" for the more adequate protection of military property or for any other purposes that may be found necessary in Canada. The force at the outset shall consist of twelve companies. . . . Each company shall be in command of an officer of the rank of major and shall consist of 250 all ranks. They shall receive pay and allowances according to the rates at present in force for the Canadian active service force.
>
> The district officer commanding shall in each case be responsible for the organization of any of such companies within his district.

On June 7, Mr. Rogers, referring to the veterans home guard, said in addition there will be reserve companies of veterans which will be attached to the non-permanent active militia units for training purposes.

Pursuant to these statements of Mr. Rogers, order in council P.C. 2545 establishes what is known as the veterans home guard, which includes both of the forces above mentioned in Mr. Rogers' two statements.

In the order in council the two forces are jointly described as the veterans home guard and are divided into, first, infantry companies of the Canadian active service force (the veterans home guard referred to in Mr. Rogers' statement of May 23) and, secondly, infantry reserve companies (the reserve companies of veterans referred to in Mr. Rogers' statement of June 7).

The infantry companies, C.A.S.F., are already being recruited and members of this unit, apart from the fact that they are recruited for home service only are, as Mr. Rogers stated, on the same basis in respect of pay and allowances as the Canadian active service force.

The infantry reserve companies will not be on a full time basis as is the case with the infantry companies, C.A.S.F., but will be trained at regular specified intervals and are to be on call for emergency service. They are to be attached to infantry units of the non-permanent active militia. They are to be officered by veteran, militia and reserve officers. They are to be permitted to wear

a distinctive armband and will be sworn in and taken on the militia strength for home guard duty only and not for duty outside of Canada. They will be given militia rates of pay for time spent in training and will not be placed on Canadian active service force pay and allowances.

An opportunity for several thousand veterans to serve in this capacity will be afforded, and instructions are being issued at once to district officers commanding to commence recruiting as soon as administrative arrangements can be completed.

The enabling order in council was prepared and signed last week by the late Hon. Norman Rogers for submission to council. This normally would have been considered on Monday last. It was approved by privy council yesterday.

VOLUNTEER CIVIL GUARDS

ARMS AND AMMUNITION FOR INTERNAL SECURITY TO BE SUPPLIED BY DEPARTMENT OF NATIONAL DEFENCE

Hon. C. G. POWER (Acting Minister of National Defence): Mr. Speaker, I have two telegrams which with the indulgence of the house I should like to read. They deal with the civil volunteer question. Though this is a telegram addressed by a provincial authority to the Minister of National Defence, in view of the widespread interest in such matters I believe both the request and the reply should be communicated to the house. I quote:

Hon. C. G. Power,
Minister of National Defence,
Ottawa, Ont.

By letter dated June fifth I asked the late Hon. Mr. Rogers to what extent arms and ammunition might be available to this government for the purpose of arming volunteer civil guards. No reply to that letter received probably on account of untimely and most regrettable decease of Mr. Rogers. The matter is now of great urgency because of repeated and insistent requests for arms to arm guards throughout the province. Please advise as soon as possible.

G. D. Conant,
Attorney General.

To which I replied in a telegram addressed to the Hon. G. D. Conant, attorney general, Toronto:

Reply your telegram June thirteenth. Every available rifle and all available ammunition that can be spared have been placed at the disposal of the mother country at their urgent request in the present real and immediate emergency at the gates of Paris. As you must know, compliance at once with this request has been of the most vital importance. Arms under our control required for purposes of internal security will be issued only by the federal government through the Department of National Defence when considered necessary.

COMMONWEALTH AIR TRAINING

ENUMERATION OF UNDERTAKINGS—PROCEDURE IN SELECTION AND DEVELOPMENT OF SITES

On the orders of the day:

Hon. C. G. POWER (Acting Minister of National Defence): Mr. Speaker, I wish to make an announcement in connection with the empire air training plan.

As has already been intimated in the house and country, the empire training plan involves the expenditure of large sums of money in aerodrome development and construction. From time to time specific projects have been announced in the press as having received approval but up to the present it has been impossible to produce a composite and broadly informative statement of the works programme in hand, under way or to be begun within the next few weeks.

The enumeration of the undertakings which I propose to place on *Hansard* is not fully comprehensive of all the work which will be carried on this summer. It includes the most urgent projects. These we intend to complete by September next.

Before proceeding with this enumeration, perhaps the house will bear with me if I give in some detail an explanation of methods pursued by the departments concerned in arriving at the selection of aerodrome sites.

In view of the strong and energetic representations made by municipalities and public bodies across the country that schools, depots and units of the plan should be placed within their respective localities, it is, I think, advisable to inform the house of the procedure followed in arriving at a final decision for the selection of aerodrome sites.

There were five categories of airports or aerodromes in Canada before the plan was put forward at all.

1. Aerodromes owned by the crown and controlled by the Department of National Defence for Air (Royal Canadian Air Force). These aerodromes were in existence prior to the outbreak of war.

2. Aerodromes owned by the crown and operated by the Department of Transport for the benefit of civil aviation in Canada including Trans-Canada Air Lines.

3. Municipal aerodromes owned by municipalities and developed in many cases with federal funds and technical assistance. Most of the flying clubs operate from these aerodromes.

4. Intermediate landing grounds owned by the crown, located at one hundred mile intervals across Canada, operated by the

Department of Transport for the benefit of civil aviation. Some of these aerodromes were started as unemployment relief projects.

5. Emergency landing grounds on the Trans-Canada airway owned by the crown, controlled by the Department of Transport, developed as unemployment relief projects, mostly to an extent usable for emergency purposes only.

Naturally there was a general impression that advantage should be taken of these existing facilities. However, most of them were found unsuitable for the training plan because of, *inter alia:*

(a) Location in rough or mountainous country unsuitable for flying training.

(b) Impracticability of economical development to the size and clearance necessary for a flying training school.

(c) Location remote from centres of population.

(d) Location in areas of heavy snowfall.

The procedure followed in the selection and development is as follows:

When it became apparent that a large number of aerodromes would be required for the British commonwealth plan, the services of the airways branch of the Department of Transport were requisitioned. Its organization had just completed the development of the Trans-Canada Air Lines and experienced personnel was available to conduct a preliminary survey of the country for the purpose of selecting sites suitable for the economical development of the various types of schools.

In the preliminary survey the officers of the Department of Transport flew over all potential areas and picked out likely locations. These were then visited by them on the ground and a preliminary survey report prepared for each site. A representative of the Royal Canadian Air Force also visited each site and confirmed the suitability or otherwise, of the site for flying training.

From a study of the preliminary survey reports by representatives of the Department of Transport and of the Royal Canadian Air Force, sites were tentatively selected for specific types of schools, distributed geographically throughout Canada as evenly as possible considering reasonable economical development and flying requirements.

The potential sites for bombing and gunnery schools were restricted by the requirements of the bombing and gunnery range—eighteen miles by four miles, which has to be reserved for air firing and bombing practice.

After sites had been tentatively allocated to schools, the Department of Transport undertook a detailed survey. This involved preparation of a contour plan of the aerodrome and the surrounding country to ascertain all details regarding the nature of soil, buildings in the locality and any factors which might affect its suitability as an air station. From this report, engineers of the Department of Transport prepared a development plan for each site and estimated the cost of such development.

This development plan with estimated cost was sent to the Royal Canadian Air Force where it was considered by the aerodrome development committee, which consists of senior and responsible officers and officials of the departments of air and transport.

The responsibilities of the Department of Transport in respect of the selection and development of aerodromes for the British commonwealth air training plan were approved by the governor in council in P.C. 3710, on the 17th day of November, 1939.

When approved by the committee, the transport department award the contract for clearing, levelling and preparing the site.

The Department of National Defence for Air plans, makes specifications for and supervises all construction of buildings, the contracts for which are arranged by the Department of Munitions and Supply.

Up to the present, the Department of National Defence for Air has allotted to the Department of Transport for its work on development, certain sums of money, in each case mentioned in the list hereunder. The work is either actually begun or will be commenced within the next three weeks.

I have here a long list adding up to over $12,000,000, and I would ask the permission of the house to place it on *Hansard*. There are several similar lists:

Financial Encumbrances Raised for Aerodrome Development to June 6, 1940

Calgary, Alta.	$409,547
Mossbank, Sask.	330,890
Windsor, Ont.	17,500
Lethbridge, Alta.	27,760
Fort William, Ont.	90,389
Prince Albert, Sask.	17,600
Edmonton, Alta.	48,282
Regina, Sask.	230,299
Saskatoon, Sask.	358,000
Airdrie, Alta.	89,000
Vanscoy, Sask.	177,900
Osler, Sask.	45,400
Penhold, Alta.	24,250
Malton, Ont.	70,500
Brantford, Ont.	436,155
Hagersville, Ont.	268,300
Burtch	72,000
Ottawa, Ont.	221,950
London, Ont.	120,410
Windsor Mills, Que.	78,406
MacLeod, Alta.	340,500
Granum, Alta.	207,400
Pearce, Alta.	62,800
Jarvis, Ont.	348,600
Fingal, Ont.	372,250

Charlottetown, P.E.I.	243,000
Mount Hope, Ont.	359,500
Pendleton, Ont.	241,860
Edwards, Ont.	86,500
Dunnville, Ont.	393,350
Welland, Ont.	69,000
Kohler, Ont.	262,500
Quebec, Que.	63,865
Rivers, Man.	265,288
Three Rivers, Que.	93,270
Summerside, P.E.I.	411,000
Mount Pleasant, P.E.I.	241,300
Wellington, P.E.I.	86,500
Carberry, Man.	498,000
Petrel, Man.	288,500
Oberon, Man.	76,500
Camp Borden, Ont.	15,000
Edenvale, Ont.	249,100
Alliston, Ont.	90,800
Moncton, N.B.	334,343
Scoudouc, N.B.	310,500
Salisbury, N.B.	150,000
Medicine Hat, Alta.	352,280
Holsom, Alta.	204,900
Whitla, Alta.	50,000
Collins Bay, Ont.	436,700
Taylor, Ont.	225,500
Sandhurst, Ont.	106,000
Port Albert, Ont.	304,800
Goderich, Ont.	42,100
Vancouver, B.C.	44,835
Moose Jaw, Sask.	523,000
Buttress, Sask.	276,000
Boharm, Sask.	66,000
Picton, Ont.	361,000
St. Catharines, Ont.	59,725
Swift Current, Sask.	32,535
Brandon, Man.	77,200
Total	$12,458,339

A certain number of buildings must be erected in connection with many of these aerodromes. The details of the standard building programme for each type of school are lengthy, but for the information of the house it may be just as well to print the statement in *Hansard*. It tells just what buildings comprise a school. The details are as follows:

Estimated Building and Service Requirements For One Typical Elementary Flying Training School

1 Hangar 112 feet by 160 feet
1 Airmen's quarters
1 Mess and hospital
1 Off. and N.C.O. mess and quarters
1 G.I.S. building
1 M.T. garage
1 Tech. and Q.M. stores
1 25 yard M.G. range
Heating above buildings
Kitchen equipment
Services, roads, apron, etc.
Contractors' buildings
Maintenance and unforeseen

Aerodrome Requirements

1. Main Aerodrome

Where possible, the aerodrome to be of sufficient smoothness to land and take-off in any direction, minimum dimensions being 2,500 feet.

Landing strips 750 feet wide and 2,500 feet long. Hard surface runways being required.

Aerodromes to have 50 to 1 ratio, clear of any obstructions for ⅔ of the perimeter.

Night flying will not be carried on at elementary flying training schools.

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Estimated Building and Service Requirements For One Typical Air Observers' School

1 Hangar 112 feet by 160 feet
1 Hangar 224 feet by 160 feet
1 Technical and Q.M. stores
1 G.I.S. and H.Q.
1 Guard house
1 Hospital—15-bed
1 Mess and canteen
1 Officers' quarters
1 Officers' mess
1 Airmen's quarters
1 Workshop
1 Garage (M.T.)
1 W/T building
1 D/F building
1 Photographic building
1 N.C.O.'s mess and quarters
Heating above buildings
Kitchen equipment
Services, roads, aprons, etc.
Grading sports fields
Recreation building
Contractors' buildings
Maintenance and unforeseen (includes power supply, fencing, etc.)

Aerodrome Requirements

1 Main Aerodrome

Aerodrome to be of sufficient smoothness to land and take-off in any direction with high-speed aircraft.

Minimum dimensions of landing strips, 3,000 feet long, 500 feet wide, clear of obstructions for ⅔ of the perimeter.

Where it is considered that the turf and nature of the soil will not permit continuous operation at all seasons, hard surface runways will be constructed, the dimensions being 2,500 feet long and 150 feet wide.

Estimated Building and Service Requirements For One Typical Bombing and Gunnery School

6 Hangars 224 feet by 160 feet
1 Guard house
1 Hospital—34-bed
1 Supply depot
3 Garages M.T.
5 Airmen's messes
1 Airmen's canteen
1 Civilians' quarters
1 Civilians' mess
1 Civilians' canteen
1 Recreation building
2 N.C.O.'s quarters
1 N.C.O.'s mess
1 Officers' quarters
1 Officers' mess
1 25 yard M.G. range
1 10-foot stop butt
1 Watch office
1 G.I.S. building
1 H.Q. building
1 Drill hall
1 Camera obscura
4 A.M.L. teachers
3 Turret instruction buildings
4 Spot light trainer buildings
1 200-yard moving target range
M.T. gas storage, 1,000 gallons
A/C gas storage, 20,000 gallons
Grading sports fields
1 sports pavilion
Explosive storage
Compass swinging base
Power supply
Heating above buildings
Services—roads, etc.
Maintenance and unforeseen

Buildings at Bombing Range

1 Observation tower
1 Quadrant shelter
1 Raft target
1 Pile target
1 set splash targets
1 Boat house
1 Boat dock
1 Garage M.T.

Aerodrome Requirements

1. Main aerodrome

Aerodromes to be of sufficient smoothness, where possible, to land and take-off in any direction.

Where all-over development is not economically practical, landing strips 3,000 feet long and 750 feet wide, with one hard surface runway 2,500 feet long, and 150 feet wide, will be satisfactory.

Estimated Building and Service Requirements for One Typical Service Flying Training School

5 Hangars 224 feet by 160 feet
1 Officers' quarters
1 Officers' mess
1 N.C.O.s' mess
2 N.C.O.s' quarters
6 Airmen's quarters
2 Airmen's messes
1 Civilians' quarters
1 Civilians' mess
1 Airmen's canteen
1 Civilians' canteen
1 Recreation building
1 Guard house
3 Garages (M.T.)
1 Supply depot
1 Hospital, 34-bed
1 25-yard M.G. range
1 10-foot stop butt
1 Watch office
1 Compass swinging base
A/C gas storage, 20,000 gallons
M/T gas storage, 1,000 gallons
Garage, etc. R1 aerodrome
Camera obscura
4 A.M.L. teachers
1 Drill hall
Grading sports fields
1 Sports pavilion
1 Headquarters
1 G.I.S.
Explosive storage
Power supply
Services, roads, etc.
Maintenance and unforeseen
Heating above buildings

Aerodrome Requirements

1. Main aerodrome

Minimum dimensions of landing strips, 3,000 feet long, 750 feet wide, at sea level, clear of obstructions for 2/3 of the perimeter.

Two hard surface runways for each landing strip, the minimum dimensions being 2,500 feet long, 100 feet wide, minimum distance between the parallel runways being 250 feet.

These aerodromes are equipped and suitable for night flying.

2. Relief landing grounds

Two relief landing grounds are required.

R-Relief aerodromes.

At R.1 the requirements are the same as for the main aerodrome, except that one hard surface runway only is constructed in each landing strip. R.1 is equipped and suitable for night flying, free from artificial or natural hazards.

R.2 Minimum dimensions will be as for main aerodrome, but no hard surface runways are required. This aerodrome may have a 20 to 1 ratio, clear of obstructions, and will not be equipped for night flying.

Both relief aerodromes to be accessible by road from main aerodrome.

3. Practice bombing range

A practice bombing range is required, the area being a radius of 500 yards.

Estimated Building and Service Requirements For One Typical Equipment Depot

35 Stores buildings
1 Officers mess and quarters
1 Airmen's and N.C.O.'s mess and quarters
1 Headquarters
1 Guard house, large
2 Garages
3 Inflammable stores
1 Lunch room and canteen
Railway spur
Heating above buildings
M.T. gas storage—1,000 gals.
Services
Power supply
Maintenance and unforeseen
H.Q.'s building increased size
Receipt and delivery building.

Estimated Building and Service Requirements For One Typical Repair Depot

6 Hangars 112 feet by 128 feet
1 Storage hangar 86 feet by 104 feet
1 Inflammable stores
4 Workshops
1 Garage
1 Headquarters
1 Technical and Q.M. stores
1 Guard house—small
1 Lunch room and canteen
1 Officers' mess and quarters
1 N.C.O.'s quarters
1 N.C.O.'s mess
1 Airmen's mess and quarters
2 Watch houses
Heating above buildings
Paving aprons and taxiway
Railway spur
M.T. and A/C gas storage 40,000 gals.
Services—includes power supply
Maintenance

Estimated Building and Service Requirements For One Typical Wireless School

Alterations to present buildings
Drill hall and garage
Wireless station
Maintenance
Hospital—32-bed
Officers' mess and quarters
N.C.O.'s mess and quarters
Services
Hangar and canteen
New buildings and services

Estimated Building and Service Requirements For One Typical Air Navigation School

4 Hangars 224 feet by 160 feet
1 Radio range station
2 Officers' quarters
2 Officers' messes
1 N.C.O.'s quarters
1 N.C.O.'s mess
5 Airmen's quarters

1 Airmen's canteen
2 Airmen's messes
1 Civilians' mess
1 Civilian's canteen
1 Civilians' quarters
1 Supply depot
1 Hospital—34-bed
1 Guard house
3 Garages (M.T.)
1 Recreation building
1 Drill hall
N.T. gas storage—1,000 gals.
A/C gas storage—20,000 gals.
Grading sports fields
Sports pavilion
Compass swinging base
Heating above buildings
Power supply
Services, roads, etc.
Maintenance and unforeseen
1 Headquarters
1 G.I.S.
1 Lecture block

Aerodrome Requirements

1. Main aerodrome

Aerdrome to be of sufficient smoothness, where possible, to land and take off in any direction.

Where this is not possible, landing strips 3,000 feet long, 500 feet wide, with one hard surface runway in each landing strip, 2,500 feet long and 150 feet wide, will be necessary.

Equipped and suitable for night flying.

Proximity to an existing radio range is desirable.

Plans for these standard buildings are drawn by the engineers branch of the Royal Canadian Air Force and contracts are let by the Department of Munitions and Supply. The list of these building projects now either contracted for or to be let within the next few days is as follows:

Location	Cost of Buildings
Malton, Ont. (EFTS & AOS)	$445,000
Fort William, Ont. (EFTS)	115,000
London, Ont. (EFTS & AOS)	405,000
Windsor Mills, P.Q. (EFTS)	135,000
Prince Albert, Sask. (EFTS)	100,000
Windsor, Ont. (EFTS)	100,000
Edmonton, Alta. (AOS)	250,000
Jarvis, Ont. (B & G.S.)	770,000
Ottawa, Ont. (SFTS)	690,000
Saskatoon, Sask. (SFTS)	710,000
Brandon, Man. (MD)	90,000
St. Thomas, Ont. (TTS)	350,000
Montreal, P.Q. (ED & WS)	295,000
Winnipeg, Man. (ED)	200,000
Camp Borden, Ont.	900,000
Trenton, Ont.	315,000
Regina, Sask. (AOS & EFTS)	415,000
Lethbridge, Alta. (EFTS)	140,000
Toronto, Ont. (ED)	200,000
Vancouver, B.C. (EFTS)	140,000
Mount Hope (Hamilton, Ont.) (EFTS & AOS)	390,000
Winnipeg, Man. (AOS)	550,000
Moss Bank (B & G.S.)	800,000
Brantford, Ont. (SFTS)	750,000
Calgary, Alta. (ED, WS, SFTS, RD)	1,450,000
Rivers, Man. (ANS)	700,000
McLeod, Alta. (SFTS)	750,000
Dunnville, Ont. (SFTS)	750,000
St. Catharines, Ont. (EFTS)	145,000
Debert, N.S. (EFTS)	200,000
Moose Jaw, Sask. (SFTS)	750,000
Fingal, Ont. (B & G.S)	800,000
Summerside, P.E.I. (SFTS)	750,000
Cap de la Madeleine, P.Q. (EFTS)	145,000
St. Hubert, P.Q. (AOS)	250,000
MacDonald, Man. (B & G.S.)	800,000
Kingston, Ont. (SFTS)	750,000
Medicine Hat, Alta. (SFTS)	750,000
Charlottetown, P.E.I. (B & G.S.)	800,000
Port Albert, Ont. (ANS)	700,000
This means a grand total of	19,745,000

all of which will be under construction within the next 6 weeks.

In the case of AOS and EFTS the anticipated cost of services is included in the estimates.

Abbreviations

EFTS—Elementary flying training school
SFTS—Service flying training school
AOS—Air Observers school
B & G.S.—Bombing and gunnery school
M.D.—Manning depot
E.D.—Equipment depot
TTS—Technical training school
WS—Wireless school
RD—Repair depot

The totals referred to show the combined value of those which have been awarded and others yet to be awarded.

It should be noted that all contracts referred to are expected to be let by July 1st, 1940.

In addition, under the jurisdiction of the Department of Munitions and Supply, construction is being undertaken for the purpose of production, repair and overhaul of aeroplanes, and for this an amount of $5,000,000 was recently transferred from the Department of National Defence for air war appropriation.

Over and above the works connected with the joint empire training plan, it is proposed to spend for construction requirements of the home war establishment of the Royal Canadian Air Force approximately $7,600,000 as follows:

Alliford Bay, B.C.
Prince Rupert, B.C.
Bella Bella, B.C.
Ucluelet, B.C.
Coal Harbour, B.C.
Patricia Bay.
Vancouver (Jericho), B.C.
Calgary, Alberta.
Kamloops, B.C.
Victoria, B.C.
D/F Stations (W.A.C.)
Seaplane moorings.
Western Air Command H.Q. reserve.
Sydney (Aerodrome), N.S.
North Sydney.
Yarmouth, N.S.
DeBert, N.S.
Dartmouth, N.S.
Saint John, N.B.
Moncton, N.B.
Gaspe, P.Q.
Red Bay (Labrador).
Mont Joli, P.Q.
Anticosti Island.
D/F Stations, E.A.C.
Seaplane moorings.
Eastern Air Command.
Hq. reserve.
Ottawa (Rockcliffe).
Armament (General).
Air Hq. reserve.

The programme, as approved to date, involves an estimated expenditure of $52,000,000. It should be completed this summer. Speed is important. Under the present circumstances it is a vital necessity. To achieve the highest success it should have—indeed it must have—the general support of the house and the country. In order that there may be no future misunderstanding I do stress this aspect.

Technical officers of the department have given every consideration to the preparation of these plans. In the light of their knowledge and experience and having regard to all the factors entering into a final decision, they are satisfied that these plans represent the best that can be evolved. On that principle they are being proceeded with; on that principle they must not be impeded.

I fully realize that it is not only possible but very highly probable that certain localities will not receive the favourable consideration they may have desired and expected. But having regard to the decisions of the technical officers and the reasons on which they are based, I beg that the public generally—boards of trade, municipal councils, all interested persons—will refrain from making further representations. These representations should not have and, may I say with all respect, will not have the effect of changing the decisions arrived at by the technical officers. In this respect I appeal as well to my colleagues in the house. I say, with full responsibility for my statement, to the public generally and to my colleagues, that overenergetic representations made in the interest of particular localities can serve only to retard progress and to divert from their duties officers already completely engrossed in work of primary and essential importance.

Every effort humanly possible must be—I have every confidence it will be—exerted towards the acceleration of this programme.

Our partners in the plan, our allies, realize the significance and urgency which lie behind the purpose of this programme.

In full sympathy with that purpose the Canadian people call for action and results. So do we. In the words of Herbert Morrison in England, "Let us go to it."

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I am disposed to congratulate the Minister of National Defence for Air (Mr. Power) on the comprehensive statement which he has made. I am glad he has done it in this way and has put all the information on *Hansard* so that hon. gentlemen may have an opportunity of studying it without having to seek it here and there and everywhere. Without any desire to interject a note of discord into the harmony of this occasion, with respect to this announcement, which I think will be welcomed by the Canadian people, and which I respectfully suggest is a bit late, may I point out that the minister has not told us upon what basis the contract work is to be done. Perhaps he will make a supplementary statement.

Hon. C. D. HOWE (Minister of Munitions and Supply): In reply to my hon. friend's question, as to how the contracts are being awarded, I may inform him that the first, perhaps, thirty or forty contracts were awarded by competitive tender on a unit basis. It was then found that the entire programme would require all the equipment of the industry. The equipment available was tabulated, and an allocation was made on the basis of the equipment available in the hands of contractors. In other words, a contractor having a certain number of Letourneau graders is given an appropriate number of yards of grading. The work was also allocated on unit price, the position being that unit prices had been established in every section of the country, and our technical officers are of the opinion that they can allocate contracts fairly without tender, on the basis of those unit prices which had been established by tender in the same locality. I think we can say to-day that every contracting firm that has suitable equipment capable of completing an airport job is booked with work to capacity. As for the buildings, there again the difficulty was to obtain plans as quickly as the situation required. It was humanly impossible to get the drafting and blueprinting organized to enable plans to be broadcast to all parts of Canada for each training scheme. The purpose therefore is to obtain prices from contractors in the locality and to place the business having regard to the fact that here again unit prices have been established in each section of the country by wide competitive tenders, and that the government can be amply protected as to price.

PASSPORTS AND VISAS

INQUIRY AS TO EXPEDITING NEGOTIATIONS BETWEEN CANADA AND THE UNITED STATES

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): With reference to the statement which the Prime Minister (Mr. Mackenzie King) made a few moments ago regarding the question of passports, may I suggest the advisability of expediting this matter? I have had representations, as no doubt the Prime Minister has had as Secretary of State for External Affairs, that the matter is very

urgent in view of the tourist business. If finality could be reached and accommodation made—I will not use the word reciprocity—between the two governments, it would be of great consequence to this important business and to the country generally.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Replying a moment ago to the hon. member for Parkdale (Mr. Bruce) I mentioned that this subject was at present one of communication and consideration between the two governments through officials of the United States legation at Ottawa and of our own legation at Washington. I agree with my hon. friend that it is desirable to have finality reached as soon as possible in these discussions, and that is the aim of both governments at the moment.

THE MINISTRY

ANNOUNCEMENT OF APPOINTMENT OF HON. J. L. RALSTON AS MINISTER OF NATIONAL DEFENCE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am pleased to be able to announce this afternoon that, in response to my representations that he could render his highest service to the state by accepting the portfolio of national defence, my colleague the Minister of Finance (Mr. Ralston) has agreed to take over the administration of the affairs of that department very shortly. In agreeing to my request, Colonel Ralston has been actuated by that high sense of public duty which has governed his motives and actions throughout the whole of his public life. In my conversation on the matter with my colleague he did not hesitate to mention how heavy the responsibilities of that particular position were at the present time and were likely to become, and he spoke of the degree of confidence which would be required in anyone accepting the post. I told him that I thought all hon. members would realize what the additional burden would be to him in taking on this work at this particular time, but I felt quite sure there was no name which could be suggested that would inspire more confidence in the government's war effort than his own in the position of Minister of National Defence.

In finally agreeing to accept the post, my hon. friend said to me that one of the reasons which would cause him not to hesitate in taking on additional burdens at this time, if to my judgment that seemed what he should do was the example of our late colleague and what doing so on his part might mean in the way of a slight tribute to his memory.

As the Minister of Finance has just announced, he had expected to deliver the budget in the course of the next week. Hon. members will appreciate what is involved in the preparation of a budget. The Minister of Finance has been engaged on that work for some time past. I have felt that, inasmuch as he hopes to be able to deliver the budget next week, it would be advisable for Colonel Ralston to continue in the position of Minister of Finance until after the budget has been delivered, unless in the interval something quite unforeseen should happen which would necessitate his taking over the portfolio of National Defence before that time.

As hon. members are aware, the bill passed in this house a short time ago establishing the Ministry of National Defence for Air provided that, in the absence of the Minister of National Defence, his duties would be performed by the Minister of National Defence for Air. I am sure that both hon. members here and the people of Canada generally will be quick to appreciate that in leaving the affairs of the Department of National Defence for the time being in the hands of the Minister of National Defence for Air the country could not possibly be better served.

MUNITIONS AND SUPPLY

ESTABLISHMENT OF MUNITIONS PLANTS IN CANADA BY CANADIAN, FRENCH AND BRITISH GOVERNMENTS—SHELL CONTRACTS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): On Tuesday I directed a question to the Minister of Munitions (Mr. Howe) regarding the reported construction of two munitions plants in Canada by the Canadian, French and British governments. Could the minister make a statement amplifying the statement made outside this house regarding the basis upon which the plants are to be built? Are they to be built under public ownership and control by the three governments?

Hon. C. D. HOWE (Minister of Munitions and Supply): I hope the house will not press me to be too specific as to the exact location of these plants, for obvious reasons. However, we have under construction for the British government, for the manufacture of explosives, a plant costing some $12,000,000. It is being built for British account by the Canadian government and will be operated by the Canadian government for their account. In another location we are undertaking to build—in fact I think construction work is

now actually under way—a plant of about the same size, but for the manufacture of a different type of explosives, for the Anglo-French purchasing board, partly for account of the French government, and partly for the British government. Here again Canada is building the plant and will operate it for their account.

There is a third large undertaking for the joint account of the Canadian and British governments, a shell-filling plant costing a very large sum of money. Here again the Canadian government is building the plant and will operate it for joint account. These are only the three largest of undertakings which have been under way for some time or are now being proceeded with; but they are all to be operated in the same way.

Hon. R. B. HANSON (Leader of the Opposition): Having regard to the important announcement the minister has just made, has he any statement to make with respect to shell contracts, for the account either of the Canadian government or of the British and French governments, with plants in different places in Canada? The question is one which is occupying the thought and attention of many people in Canada. In my town many shells were made in the last war, and there are men willing to go ahead and do the same to-day. I am told that in New Glasgow in the last war they made 25,000,000 shells, and that plant is more or less idle to-day. I hope consideration will be given to spreading these contracts among the smaller communities rather than concentrating all the work in one or two very large plants in the centre of the country.

Mr. HOWE: The position of shell orders is such that in a very short time I think it will be possible to do the very thing my hon. friend suggests.

MALTON AIRPORT

REQUEST THAT DOMINION ASSUME MAINTENANCE OF ROAD CONNECTING WITH PROVINCIAL HIGHWAY

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to direct an inquiry to the Minister of Munitions and Supply (Mr. Howe). At yesterday's session of the Peel county council I understand that a resolution was passed asking the dominion government to assume responsibility for the maintenance of the road running west from Richview on the provincial highway to the Malton airport. In view of the greatly increased traffic over this road to the aeroplane plant, the Trans-Canada depot and the commonwealth air training plan unit, will the government give immediate consideration to the proposal?

[Mr. Howe.]

Hon. C. D. HOWE (Minister of Munitions and Supply): My hon. friend was good enough to give me notice of this question. The building of highways is of course the responsibility of the city, municipality, county, or province. Under the British North America Act the dominion government is not involved in the building of highways.

Mr. HANSON (York-Sunbury): They went into it pretty deeply in years gone by.

Mr. HOWE: The county in question is not above collecting a large sum in taxes from the industries at the Malton airport, and this seems to be particularly a time when anyone charged with a responsibility should undertake to assume it. Perhaps I might add that as a member of the federal government greatly concerned about that particular highway I shall be delighted if those responsible for the highway will assume their responsibility quickly.

NATIONAL DEFENCE

PROTECTION OF POWER PLANTS—QUESTION OF UTILIZING LINCOLN AND WELLAND REGIMENT

On the orders of the day:

Mr. NORMAN J. M. LOCKHART (Lincoln): In the light of the increasing necessity for power and the protection of power plants and other transportation facilities, would the Minister of National Defence for Air (Mr. Power) be good enough to take into consideration the question of utilizing the recently disbanded Lincoln and Welland regiment for guard purposes instead of bringing more permanent units into the peninsula for that purpose?

Hon. C. G. POWER (Minister of National Defence for Air): Yes.

APPOINTMENT OF COMMITTEE TO CONSIDER AND REVIEW DEFENCE OF CANADA REGULATIONS

The house resumed from Wednesday, June 12, consideration of the motion of Mr. Mackenzie King for the appointment of a committee to consider and review the defence of Canada regulations passed under the War Measures Act.

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, may I commend my hon. friend the member for Parry Sound (Mr. Slaght) whose reputation as a great criminal lawyer did not suffer yesterday, for the views he so vigorously and ably expressed in his speech in this debate. With all of those views I am in hearty accord. He referred to the excellent work of the Royal Canadian Mounted Police. I give place to no one in my admiration of that splendid

and efficient body of men. I do not happen to know Commissioner Wood, but his reputation inspires in me every confidence that he is faithfully carrying out the methods and traditions of his high office as developed by the capable, fearless men who preceded him. I did know intimately his immediate predecessor, Sir James MacBrien, one of Canada's greatest soldiers and ablest administrators. I feel sure that the able and efficient work which he did in the years of his commissionership will not be lost.

I want to say a word or two about one of the organizations to which I referred yesterday, the fifth Canadian youth congress. A notice has appeared in many papers of a meeting to be held in Montreal on July 5-6-7 of the fifth Canadian youth congress in what they call the "parliament of youth". In the appeal which they make they state: Young Canada opposes the War Measures Act. It is evidently time that this organization was suppressed.

Mr. COLDWELL: Will the hon. member permit a question now, or would he prefer that I wait until he finishes?

Mr. BRUCE: I should prefer that the hon. member wait until I am through.

An hon. MEMBER: You cannot answer.

Mr. BRUCE: A couple of weeks ago the hon. member for North Battleford (Mrs. Nielsen) asked whether a raid had taken place on the offices of the Montreal youth council. I wonder whether the hon. member is aware of the fact that this youth council is affiliated with the Canadian youth congress, that the latter is dominated by the young communist league, and that in the background is the communist party of Canada, which the Minister of Justice has declared illegal. The publication called the *New Advance* is the official organ of the young communist league. In its last issue the statement is made that they have sent out five hundred thousand copies of a questionnaire in which they oppose the War Measures Act, all of which is evidently done for the purpose of sabotaging Canada's war effort among the youth of the country. May I suggest that some action be taken against the active officers of the young communist league, and especially the editorial and advisory board of the *New Advance*. May I suggest, too, that the government take immediate steps to notify those in authority that the proposed meeting of the Canadian youth congress in Montreal shall not be held.

May I conclude by quoting an article written by Walter Lippmann a couple of days ago:

> The allies are where they are because they would not take seriously the danger which threatened them, and because they underestimated what needed to be done, and because they shrank until it was too late from the hard but indispensable measures that were obviously necessary. There is no hysteria but only elementary common sense in saying that a policy of too much and too soon, if that is any longer conceivable, is infinitely preferable to a policy of too late and too little.

Mr. SLAGHT: Before the hon. member takes his seat will he permit me to submit to him a question which I deferred yesterday at his request? In fact there are three short questions, and I have sent him copies so that there may be no confusion in his mind.

The first is this: In view of the hon. member's suggested knowledge has the hon. member personally, since the war began, filed with the Minister of Justice (Mr. Lapointe), or with the Royal Canadian Mounted Police, who are the proper authorities to receive it, the name of any person suspected of subversive activities?

The second question: Is the hon. member prepared to state on his responsibility in this house as the member for the constituency of Parkdale, that any case of suspected subversive activities—

Mr. MacNICOL: The house is not in committee.

Mr. SLAGHT: —reported by him either to the Minister of Justice or to the Royal Canadian Mounted Police, or by any responsible person, has not been properly investigated?

The third question: Is the hon. member aware that public criticism, unsupported by facts, of the Royal Canadian Mounted Police force, regarding the performance of their duties, is a definite attempt to destroy the confidence of the people of Canada—

Mr. HANSON (York-Sunbury): This is a speech.

Mr. SLAGHT: —in an important branch of his majesty's service and tends to bring aid and comfort to the enemies of Canada?

Mr. McGREGOR: Free speech.

Mr. THORSON: And is a form of sabotage.

Mr. HANSON (York-Sunbury): This will be a second speech.

Mr. BRUCE: I think I might claim the right to reply on another day to the various questions which have been submitted by the hon. member.

Mr. POULIOT: Six months' hoist.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I desire to say at the outset that I am pleased to have the defence of Canada regulations submitted to a committee of the house, not, as was suggested by the hon. member for Vancouver South (Mr. Green), in order to devise a policy, but perhaps to revise policies, to examine the regulations and to consider in what way it might be desirable to modify them, if the committee believes they should be modified.

This is in no sense a waiting performance. Not only have the policies been defined, applied and carried out; as the circumstances require, and that frequently, they are modified. It is in the very nature of things that it should be so. Regulations for the defence of a country are necessarily subject to changes in the light of new conditions which may arise during a war. Our regulations have been altered because of new conditions, and they may well be changed again because of further new conditions which may present themselves.

In England the regulations were criticized on the ground that they were too strict and too arbitrary. Changes were made so as to make them more lenient. Conditions at the time permitted the government of Great Britain to do this. But since those modifications took place conditions have changed again, as hon. members well know, and the government of Great Britain have had to modify anew their regulations so as to make them stricter than they were in the first instance. All this has happened because of changing circumstances; and this is necessarily so in war time.

Here in Canada we were told that our regulations imposed greater restrictions on the liberty of the subject than the British regulations did; this was the criticism which during a long period we had to meet. Now, however, because of changed conditions in Great Britain, the regulations in Great Britain have become stricter; many of the activities in the way of internment and otherwise have taken place only recently. Certain projects now being negotiated between the government of Great Britain and the government of Canada go to show that conditions in Canada and Great Britain are far from identical.

I make these observations to indicate that there cannot be any rigid make-up of regulations in war-time. My own view, one which I have expressed on many occasions in answer to those who have protested that we were taking away the liberties of the Canadian people while defending the liberties of peoples in Europe, is that in order to defend their liberties people must agree to the imposition of restraint and restriction to which in ordinary times they would not willingly submit. Men who enlist for active service agree to subject themselves to much greater restriction than civilians have to endure. Surely those who are not taking an active part in the war should be willing to accept such restrictions as are necessary for the safety of the state.

I want to congratulate hon. members who have taken part in this debate upon the moderation of their remarks. One feature of the debate with which I am more particularly pleased is the expression of utter confidence by all sides of the house in the Royal Canadian Mounted Police. Canada has reason to be proud of its Royal Canadian Mounted Police. This force has a reputation throughout the world. It has been the endeavour at all times of those who have had to do with the force to keep its standards at the highest. That has been true in the past and it is true to-day. Canada would be in a most difficult position in many respects if we had not the Royal Canadian Mounted Police at this time.

The criticism has been offered that the suggested increase of 500 men in the strength of the Royal Canadian Mounted Police is much too small. I may say to hon. members that it is the belief of the police authorities that it would be impossible at this time to recruit more than 500 men in view of the difficulty of obtaining the necessary instructors. As hon. members know, the police are quite busy at all points in Canada. We have not the necessary accommodation to train more than 500 recruits. A Royal Canadian Mounted Police constable cannot be improvised; he must have the necessary education and receive the training which is necessary in order that the standard of the force and its usefulness to Canada may be maintained.

There are about 2,500 regular members of the force. With this additional 500 men we will have a strength of 3,000. There are also 1,500 special constables. These men are veterans and are under the direct control of the police authorities. Their work consists of guarding public property like the Montreal harbour and other works of the kind. In all there are about 4,000 men on the police payroll. These men work; let there be no mistake about that. Yesterday an hon. member asked what the Minister of Justice was going to do about the Italian population of Canada now that Italy had declared war. Let me tell him what the Minister of Justice did. The very minute that news was received that Italy had declared war on Great Britain and France he signed an order for the internment of many hundreds of men whose names were on the list of the Royal Canadian Mounted Police as suspects. I cannot give the house the

number; I have been asked by the head of the mounted police not to do this because it might hamper his work.

These names and the reasons why the persons should be interned were all classified and submitted to a committee composed of three men. Since the outbreak of war the members of this committee have worked many hours apart from their duties. I refer to Mr. MacNeill, a prominent law officer of the Department of Justice; Mr. Robertson, a counsel in the Department of External Affairs, and Mr. Bavin, a member of the intelligence branch of the Royal Canadian Mounted Police. The committee passed on all these names. The order which was given to me for signature was prepared from information which had been received from the Royal Canadian Mounted Police in all parts of Canada. These men do not talk; they act.

I resented the suggestion that party politics had been played in connection with the activities of the Royal Canadian Mounted Police. Certain statements were made at the recent convention of the legion in Montreal, but when some of those gentlemen came to see me, in company with the commissioner of the police, it was demonstrated that there had been a misunderstanding.

Mr. SLAGHT: They put it in the press first, though.

Mr. LAPOINTE (Quebec East): I am proud to say that there never will be politics in connection with the activities of the Royal Canadian Mounted Police.

Mr. HANSON (York-Sunbury): Have there ever been?

Mr. LAPOINTE (Quebec East): I do not think so.

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

Mr. LAPOINTE (Quebec East): That is why the police have the reputation they have in Canada.

Mr. HANSON (York-Sunbury): One of the reasons.

Mr. LAPOINTE (Quebec East): We want to keep that reputation. It has been hinted that in the exercise of discretion by the Minister of Justice in connection with the release of interned persons, politics might have played a part. I deny that just as strongly as I denied the suggestion that politics have anything to do with the activities of the Royal Canadian Mounted Police.

Only two cases have been mentioned, and questions with regard to them have also been put upon the order paper. In one case, which was in Saskatchewan, the man was released under special circumstances in December. I was told by my good friend the hon. member for Rosetown-Biggar (Mr. Coldwell) that this man took part in the election which followed. Well, if he did, it did not serve him very well, because I have since ordered his reinternment and he is still in the camp. I have no qualms of conscience as to that case at all. I cannot give to the house the circumstances, but at least one condition of his release was not lived up to, and this circumstance permitted me to order his reinternment.

The other case, which has also been referred to, was in Manitoba.

Mr. HANSON (York-Sunbury): Before the minister deals with that, can he tell us what was the condition which was not lived up to, by reason of which the minister ordered the man's reinternment?

Mr. LAPOINTE (Quebec East): I would rather tell my hon. friend privately, or it might make a precedent.

Mr. HANSON (York-Sunbury): That is good enough.

Mr. LAPOINTE (Quebec East): I can say that it was something to do with foreign exchange regulations, the changing of money.

As to the other case in Manitoba, there has not been a shadow of politics in it. There again I ordered the man's reinternment.

An hon. MEMBER: Hear, hear.

Mr. LAPOINTE (Quebec East): My hon. friend cheers. He is happier than I am with regard to this man. I hesitated because I had really nothing upon which to base my order for his reinternment; far from it. The man had the best recommendations possible. But there is public opinion, and I thought we must satisfy public opinion. Even if a man has to suffer perhaps a little unfairly, this is war, and perhaps it is better for him for his own sake to be interned than to be subjected to the attacks, difficulties and troubles which were flooding down upon him. I say this to show to hon. gentlemen that there has not been the slightest political motive in dealing with these two cases. Both men have been reinterned. I do not know that there has been criticism of any other case anywhere in this country.

I wish to make a little more clear something I said some time ago which led to certain comments. I had said that there had been members of parliament who had made representations, and I have seen in the press comments rather unfavourable to any member of parliament on either side of the house making such representations. But I do not

think there is anything very wrong on the part of a member of parliament who writes that he knows personally somebody who is being treated unfairly, provided of course that the considerations suggested by the member of parliament are not for the purpose of influencing the Minister of Justice and are not in fact influencing him. If the members of a certain community whom a member of parliament knows well and in whom he has confidence represent to him that there has been an injustice done in a certain case, I do not see how that member of parliament could very well refuse to bring the matter to the attention of the Minister of Justice or the Royal Canadian Mounted Police. But what is necessary is that there should not be any influence because of the position which the member of parliament holds which might bear on the decision that is taken in any case.

My hon. friend the leader of the opposition (Mr. Hanson), who has made a helpful address on this subject, said that one or two of the regulations might be giving too great power to the Minister of Justice, and he cited regulation 26 paragraph 7, which gives the Minister of Justice power to use his discretion in any case to intern or release an alien enemy. He referred to another regulation which gives to the crown only the right of election whether to proceed to prosecute a person under the defence of Canada regulations by summary conviction or by indictment. So far as the last question is concerned, of course, if the accused had the right of election, all those who are prosecuted for a very serious offence would elect to proceed by summary conviction because the penalty under that procedure is much less. But these regulations are for the purpose of making a difference between a serious offence and some petty infringement of the regulations such as occurs almost daily. Some joyous friend may imbibe a little too much liquor in a tavern and think it smart, for instance, to say that the Germans are better soldiers than the British, or something like that. Such a man should not be treated as a real enemy who is plotting against the state. There the summary conviction applies. But when a case is serious, the prosecution should be by way of indictment, and I believe that the choice should be left to the Minister of Justice or the attorney general.

As to the other section, I agree with my hon. friend that this is a huge power to entrust to the discretion of one man, the Minister of Justice, but I think it has to be left in that way because there may be circumstances where speed is required and where it would not serve the ends of justice to follow the ordinary course of warrants or submission to a committee. I would rather not have so great a power. But in time of war, if the Minister of Justice or any minister who is in charge of carrying out these regulations is not to be trusted, he ought to be changed.

Mr. HANSON (York-Sunbury): Would the minister allow me?

Mr. LAPOINTE (Quebec East): Yes.

Mr. HANSON (York-Sunbury): I appreciate what he is saying. Not having had time to read the British regulations, I should like to ask him whether identical powers are vested in the Home Secretary, who is the analogous official over there? Would the minister tell me what the practice is in Great Britain?

Mr. LAPOINTE (Quebec East): Well, there have been changes, of course, quite recently. There was a committee, as there is here, to advise the Home Secretary. Perhaps our own regulations gave less authority to the Minister of Justice, because upon our committee there had to be a judge, while in England there was no necessity of a judge. But there the Home Secretary has the discretion, as the Minister of Justice has here. He is not bound to accept even the recommendation of the committee. It is supposed that the man upon whom the discretion is conferred deserves to be trusted, and if he does not possess the necessary spirit of justice and fairness, somebody else should take his place.

Mr. STIRLING: May I ask the minister a question on this point? Is he going to deal with the doing away of the appeal board to which he referred the other day?

Mr. LAPOINTE (Quebec East): Not under section 21. Everybody interned under the authority of section 21 will have the right to have his case heard by a tribunal. We are changing the tribunal; it will be a judge of the superior court or a retired judge; it will be a committee of one who will report to the Minister of Justice. As regards the interned alien enemy, there is no more appeal. His case may be reconsidered by the police and the men in the Department of Justice and submitted to the department—

Mr. HANSON (York-Sunbury): In the light of new evidence.

Mr. LAPOINTE (Quebec East): —in the light of new evidence. As I said the other day, in no other country have prisoners of war—and the status of interned enemies might be assimilated to that of prisoners of war—the right of appeal. They are there to be kept so long as the authorities think they should be detained.

The hon. member for Parry Sound (Mr. Slaght) has suggested an amendment to the resolution, that the following words should be added after the word "regulations" in the third but last line:

. . . and the question of appropriate punishment for war offences. . . .

I have discussed that with him and he agrees to the following change:

. . . the question of appropriate punishment for infringements thereof—

That is, the defence of Canada regulations.

—and for any other offences against the safety of the state. . . .

With this amendment, my hon. friend will be able to raise the question which he discussed yesterday in his address.

I do not think I should say more, except that I shall be pleased if the committee make any recommendation which they believe will improve the regulations.

I again take opportunity to ask the people of Canada everywhere to remain calm, steady, not to get unduly perturbed by rumours of all kinds which are being circulated. As a matter of fact, members of the Royal Canadian Mounted Police tell me that they are—

—swamped with a flood of complaints regarding alleged subversive activities. Old incidents—

I am reading their very words.

—second-hand gossip, a German-sounding name, a Teutonic haircut, almost anything now assumes a sinister aspect and immediate and drastic action is demanded of the police.

They tell me that:

Reports received from police posts throughout the country indicate that peace officers are facing the situation with good common sense. Nevertheless, much valuable time is being wasted. Consideration is being given to enlisting the cooperation of the press in an effort to abate the nuisance.

In this connection may I read an extract from a letter from the attorney general of British Columbia in which, after submitting certain suggestions with regard to the general problem, he writes:

Our police, of course, are vigilant in cases of activities which are offences against the code or the defence regulations, and are cooperating to the fullest extent with the Royal Canadian Mounted Police, but it is very difficult indeed to secure actual evidence against any one. The rumours that are spreading from time to time are generally without any evidential foundation.

I noted with interest your remarks in the House of Commons in connection with the spreading of rumour, and your advice that any information any citizen had in his possession should be told to the police, and not to his neighbours. It occurs to me that the country would be saved a considerable amount of unrest if it were made an offence to spread rumours. I do not know what the temper of the people is in the rest of Canada, but here, by the spreading of rumours, generally without foundation, the civilian population has been worked up to the pitch where it is possible that considerable trouble may be encountered. It seems to me that where we have police available throughout the province for the purpose of receiving and investigating charges against aliens and others, that there is no occasion for the spreading of these rumours at meetings and otherwise, and that it would be good policy if a measure were passed in the regulations prohibiting the spread of such rumours.

Certain statements which I have read in the press as having been made even at meetings come under the provisions of the defence of Canada regulations because they create dissatisfaction and disaffection to his majesty and are against the security of the state. The other day I read in the press words delivered by a gentleman in a great city in Canada almost advising an armed march to Ottawa. That is against the defence of Canada regulations.

Mr. COLDWELL: Is he interned?

Mr. LAPOINTE (Quebec East): No, but he deserves to be interned a good deal more than the men he wants to have interned. I believe that this work should be left to the police. They know better; they are trained. Sometimes people complain; they may have given the name of somebody. That somebody has been investigated by the men who are able to make the investigation and who work not merely on rumours.

My last advice is this. We are all working for the same cause, for the same purpose, and we ought to trust one another. Sowing distrust of those who have the responsibility and the burden is not a good thing in this country at the present time. I am not complaining. I am receiving my share of abuse. There are gentlemen and newspapers, in Montreal and Toronto, that a few months ago were having me surrounded with bouquets and flowers. I was a very big man in Canada. They have changed. I have not changed; I am exactly the same man. Either I did not deserve the flowers at the time, or I still deserve them.

Mr. HANSON (York-Sunbury): We will say it was the former.

Mr. LAPOINTE (Quebec East): I say again, let us try to trust one another and not to think there are any sinister designs in the actions of those in authority. We are doing our best. I am doing my best. Let me tell my friends and colleagues here that if I am where I am at this time, it is from a sense of duty. I do my duty, in war as well as in peace, according to the light that providence has given me, and I only ask for some indulgence on the part of those who really do not think I am as bad as some have described me.

Mr. J. G. DIEFENBAKER (Lake Centre): As a new member, rising to speak here for the first time in debate, I cannot but admit how impressed I was by the concluding words of the Minister of Justice (Mr. Lapointe). He pointed out that in this house, as throughout the country, forbearance should be shown, that we should recognize the fact that each of us is individually trying to contribute something irrespective of any divisions that there may be among us. I think that was a proper stand to take and with it I entirely agree, as do all other members of this house. Each of us is trying to contribute something; and from this side of the house, in what we have to say or in the criticisms we have to make, I ask the government to recognize the fact that we too are trying to do what we can to further and not, as was suggested this afternoon, to sabotage the war effort. Our attitude in this time of national danger is the attitude that was exemplified this afternoon when all the members of this house stood up in one of the most inspiring scenes that I have ever witnessed, showing the solidarity of this country.

I would not have risen on this occasion were it not for the fact that I have been placed upon the committee of the house which is charged with the consideration of the defence of Canada regulations. Since the outbreak of war various orders in council have been passed dealing with such matters as the treatment of aliens, the safeguarding of information and the prevention of sabotage. As I understand it, the committee will be charged with two duties. It will consider whether or not the regulations require to be amended, and what alterations must be made by reason of changing conditions; and with that will be coupled a consideration of the question whether or not those regulations which are to-day in effect have been properly enforced.

I realize that, as the Prime Minister (Mr. Mackenzie King) said the other day, there has been a considerable change in public opinion since the outbreak of war, particularly in relation to the defence of Canada regulations. At the beginning there were some, and there are some to-day, who challenge these regulations on the ground that they abrogate the rights of free men. In particular there is the criticism that they take away the almost inalienable rights of British subjects, the rights of habeas corpus and certiorari, and are thus the negation of democracy. My answer to that is that naticnal safety is of paramount importance over private rights. These rights have not been lost; they are held in abeyance until victory is attained. Their abrogation is required in the interest of the safety of the state. These rights will return to the people of this dominion when victory is won. To those who criticize the defence of Canada regulations as taking away the liberty of the subject, I say, better have the rights remain in abeyance than lose them altogether if Hitler should win.

To-day public opinion is aroused, and as the Minister of Justice has said, reasons are urged why certain people should be proceeded against. We can understand why public opinion is aroused. In recent days Canada has been invaded, as directly as though the enemy were on our own shores, by the capture of that portion of France upon which rests the Vimy memorial, soil which was deeded to the Dominion of Canada. We know what defeat would mean. In the ledger of nazism there is no credit side; there is nothing but debits, pagan brutality, the destruction of those things that are nearest and dearest to us, our liberties entirely taken from us. For that reason people are aroused.

The experience of other countries has shown the result of the subversive activities of nazi sympathizers; in Austria, Norway, in Holland and Belgium, the same course is pursued—conquest following a ghastly programme of the honeycombing of the national fabric by treasonable propaganda from within. To-day the general feeling is that subversive activities in this dominion, whether they be nazi or communist or fascist, must be curbed if not altogether extirpated. The people of Canada feel that the trade of treachery and of traitors, the undermining of the country from within, must be made dangerous for those who engage in it. Yesterday afternoon the hon. member for Parry Sound (Mr. Slaght) made the suggestion that in certain cases the death penalty should be enforced, in particular in the matter of subversive activities leading to sabotage. In Great Britain they have had to adopt such a penalty. For certain classes of people it becomes necessary in order to deter them from acts of sabotage. To-day we realize that eternal vigilance is the price of public safety. The administration of such an act as the defence of Canada regulations, as was so eloquently pointed out by the Minister of Justice, must be characterized by sound judgment and understanding. There must be prosecution; there shall not be persecution, the minister said. To-day in the shadow of the passing of a great Canadian, the late Hon. Norman Rogers, the message that his sealed lips never delivered is one which in my opinion epitomizes in true measure the principle for the enforcement of war-time measures. These words are from the report of the speech he was to have delivered:

"It has been suggested the present emergency requires the internment of all naturalized Canadians of enemy alien origin." "We shall never, I believe, subscribe to that policy of total proscription.". . .

He said action had already been taken against certain Canadians, fortunately few in number, who would set themselves up as leaders of fascist or communist groups and would cast aside forever all the essentials of democratic freedom.

"So far as it lies within us they (who come to these shores) should receive what they expected to secure. But they must not cross the line that divides loyalty from treason in this country. If they do they forfeit the rights they have acquired and will be dealt with accordingly."

Some reference was made the other day to the fact that the 1931 census showed that there were in Canada 473,544 people of German origin. In that connection it is interesting to note that according to the census of sixty years ago there were 202,000. But the census does not tell the whole story. The manner in which the census in Canada is taken prevents the creation of an unhyphenated Canadian nation. There is no question of the loyalty of those of German stock who were United Empire Loyalists, of those who came over in the forties, fifties, sixties. There is no question as to the loyalty of others, except the few who are to-day disturbing our unity and whose activities must be curbed. Other than those, the people recorded in the census as German are loyal to this country and intend to contribute to it of their best. My criticism of the census is that, regardless of the number of generations that have elapsed or the admixtures of nationality that have taken place during forty, fifty, seventy-five or one hundred and twenty-five years, so long as persons must register under the nationality of their paternal ancestor, there will never be that Canadianism which we wish to establish.

Who was not inspired the other day by the address of Mayor LaGuardia of New York? When he spoke he did not speak as an Italo-American, he spoke as a great American. One of the greatest proponents to-day of the allied cause in North America is the former commander of the United States troops in the last war, General Pershing, who is of German origin; but is no German-American, he is an American. It is said that the census regulations are based on ethnological grounds. Let us register our Canadians as Canadians, and have another paragraph dealing with racial origin, and let us build up in this country an unhyphenated Canadianism that is dominant, proud and strong. There are those who are disloyal; and in the interests of the majority of loyal citizens of various national strains, those who are treasonable must be shown their place, so that those who are loyal and patriotic shall not be denied the fruits of their loyalty.

Some say: "What are you going to do with the naturalized? Are they to be proceeded against?" They are in a position different from that of those who were born here as Canadians. Sir, naturalization was never intended to be a badge of immunity from treason. A naturalization certificate is an admission that the state recognizes that the person who has been accepted for membership in that proud heritage of British citizenship is a citizen whose loyalty is unquestionable. Naturalization is predicated upon the assumption and the acceptance, at face value, of the loyalty of the person affected, as pledged in his oath of allegiance. If those who are naturalized prove recreant to the loyalty to which they swore, then naturalization or a certificate of that kind should be no badge of immunity. Naturalization is a privilege, not a protection against sedition.

What about the provinces of Saskatchewan and Manitoba? The Minister of Justice has said that there has been considerable criticism. While I am not going to place them on *Hansard*, I have before me a number of press clippings from Saskatchewan and Manitoba calling upon the government to do something in respect of the peculiar circumstances there prevailing. As a matter of fact, so difficult has the situation become in some parts of Saskatchewan that recently representatives of the veterans met with the provincial government and decided to form what is known as the Saskatchewan veterans civil security corps. It is to be composed of from 8,000 to 10,000 veterans, as security against anti-British and subversive activities in Saskatchewan.

The Minister of Justice has said that at no time has there been political interference in respect of orders which allow release from internment. I believe him when he makes that statement, because I cannot conceive of any occupant of the position he at present holds, permitting in any way in a time of national need political considerations to take precedence over national safety. But I shall set out one or two reasons why in Saskatchewan the suggestion has arisen that there has been political influence.

First, fifty per cent of those released from internment camps in Saskatchewan were released between January 25 and March 26, 1940. Second, there can be no suggestion, and there is no suggestion, that the Royal Canadian Mounted Police would in any way brook political interference. The Minister of Justice has stated that they investigate with

care, that they compile the information so obtained, and that in the last few days as a result of the acquisition of information over a long period of time they have been able to move forward with dispatch and place in custody various persons of Italian birth or ancestry. He has pointed out that they have the information and that they work; they do not talk.

That being so the Royal Canadian Mounted Police must have had some reason when it acted as it did in September last in taking into custody throughout western Canada numbers of men who were known to be nazi sympathizers or workers. There was no oppression in their attitude, because only three hundred out of sixteen thousand alien enemies in Canada were taken into custody. The minister has pointed out that Schneider, who was released some time ago, has been reinterned. That is all to the good.

The suggestion I humbly offer to the minister is that so long as section 26, subsection 7, permits the Minister of Justice to order the release of any enemy alien from arrest, detention or internment, there will always be statements to the effect that there has been political interference, if the political allegiance of the man released is known, regardless of the fact that the suggestions are foundationless.

The suggestion has been made that instead of the minister accepting this power, or having it placed upon his shoulders, a tribunal should be set up in the constituency or judicial district where an internment takes place, and that such tribunal should be responsible. Such tribunal might consist of a district or county court judge, as the case may be. In such circumstances judicial wisdom would be brought to bear upon the decision as to whether or not a person or persons should be released, and the evidence taken be complemented by the knowledge of local conditions of the judge resident within the local judicial district.

The Minister of Justice has said that the cases he mentioned were the only ones regarding which there has been criticism. I am not going to refer to other cases this afternoon. I would point out, however, that we have gained much benefit from the information given by the minister this afternoon. The public want to know. They want to know why those men are released. The minister has given the assurance that they were released under circumstances which could not be considered political.

There is always the suggestion of partisanship. However that may all be removed by the means I have suggested, or by the appointment of a superior court judge, as the case may be. In this way we would bring to the people a feeling of security which until recently they have not possessed. There are those who may say that at a time like this, representing as I do a constituency in Saskatchewan, the stand I take is an unpopular one. As a representative from that province I feel at this time that party political expediency must pale into insignificance before public safety.

This speech I have to make in order to point out that in Saskatchewan there is an ever rising body of opinion to the effect that there are men who would undermine our institutions but who are free. It is felt the result will be that unless authorization is given for the creation of a home defence corps—and some suggestion was made to-day by the Minister of National Defence for Air (Mr. Power) that such a corps was being formed—there will arise in various parts of Saskatchewan and throughout western Canada generally committees or, if you will, vigilantes who will take the law into their own hands.

I have a few suggestions to make in addition to the one that the minister should be relieved of his responsibility under section 26 of the regulations. I believe there should be a national registration. This would give the government an opportunity of finding those who are willing to serve at this time. The women gave the lead last September and October when they had a national registration, but so far their services have not been utilized. There are men all over the dominion who want to serve. All they need is the opportunity, but that opportunity can come only from leadership. Leadership can be given only when the government is fully aware of those who are prepared to serve. Moreover, such a registration, if properly carried out, would bring to light the names of many who are to-day in Canada without having complied with the immigration regulations and who are in position to carry on subversive activities.

The necessity for establishing local defence corps throughout the dominion has been pointed out already. In this connection I should like to refer to an editorial which appeared in the Winnipeg *Free Press* of June 6. That paper deals with this problem in these words:

> Why is Ottawa showing such reluctance in authorizing the formation of the volunteer defence unit here? The public wants it.

And further down:

> Presumably the dominion government believes that the potential internal dangers to the state are being adequately looked after by the presence in Canada of our active armed forces, by the militia regiments, by the newly formed home guard and by the Royal Canadian Mounted Police. It may be recalled to Mr. King and

his colleagues, however, that they have just been found guilty by public opinion of having been up to now far too complacent about their war plans. The scope of their effort, in the light of present emergencies, has been inadequate. They are therefore hardly in a position to announce that they are right, and the public wrong, about the formation of this additional auxiliary force. The public quite properly can reply: "You were wrong in the other matter. How do we know you are right about this?"

The editorial then goes on to point out the necessity of the government authorizing the formation of such corps. The acting Minister of National Defence (Mr. Power) said to-day that it was impossible to allow these corps to be organized outside government supervision. He stated that in any event it would not be possible to supply them with arms and ammunition. To-day in Saskatchewan General Ross is organizing such a corps. Although such an organization is not authorized by the government, the need therefor is felt in Saskatchewan because there is in some sections a strong current of anti-British feeling.

How can we expect not to have anti-British feeling when we permit periodicals to enter Canada which attempt to destroy the morale of our people? Why should such anti-British publications as the *Saturday Evening Post* and the Chicago *Tribune* be allowed to enter the country? What is the use of having a department of information to furnish dependable information to the people if such information is neutralized, if not completely destroyed, by malicious articles appearing in these particular papers? If I understand the defence of Canada regulations, the only provision for prosecution in such a case is that provided by section 15. Under this section prosecution can be carried out only when a newspaper or periodical is published in Canada.

Parliament to-day realizes as never before that we have but one duty—to provide the maximum war effort to win this war. This war is being waged on two fronts—the battle front and the home front. The defence of Canada regulations were designed to ensure the solidarity of the Canadian people and to prevent malicious disaffection from destroying the continuity of our war effort or interfering with the production and transportation of munitions, materials, and food for our armies here and overseas. The safeguarding of our interests overseas as a nation, of our homes, of our right to live, is in the hands of our gallant boys. They will not fail us. The safeguarding of our nation from destructive and subversive influences that would nullify their sacrifices is in the hands of this parliament. We must not fail them.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, it was not my intention to take part in this debate. However, some remarks that have been made during the course of the debate prompt me to rise for just a few moments in order to make one or two observations. The hon. member for Rosetown-Biggar (Mr. Coldwell) outlined quite adequately the stand of this group with reference to this motion of the Prime Minister (Mr. Mackenzie King). I should like to touch upon four points and emphasize them quite briefly. First, we realize that under present circumstances there is a need to give the government extraordinary powers. We are engaged in a war carried on by a new technique. This is not only a war of nations; it is a war of ideologies. The people who believe in these ideologies have no particular mark upon their foreheads. They have carried on a programme of peaceful penetration in many nations of the world. They have undermined the states that they sought to conquer. In order to meet this threat the democracies have had to speed up and alter their method of dealing with it. With that in mind, we realize, as must all people who believe in democracy, the need of giving to the executive extraordinary powers.

The Minister of Justice (Mr. Lapointe) has claimed that there are two points of view in connection with these regulations. The one is that the regulations were too severe; the other, that they were not severe enough. I doubt if that is a fair appraisal of the situation. I think the real position is that there is one group of people who feel that the regulations are not lacking in severity so much as that they have not been enforced with sufficient aggression. I cannot say whether that is well founded, but the fact remains that there is that feeling. It is quite understandable. For instance, in western Canada we have had for a number of years an organization known as the deutscher bund. Many of the men who joined this organization did so out of bravado, while others were attracted by the cultural association. Many had no knowledge of the unscrupulous intent of the organization and they left when they became aware of its real purpose. The fact remains that in western Canada this organization was in existence in many German-Canadian communities and has aroused considerable concern. As the hon. member for Lake Centre (Mr. Diefenbaker) has suggested, this is quite understandable.

The people are perturbed. They feel, not that these regulations should be made more severe, but that they should be enforced and that proper precautions should be taken. We

were all glad to have the statement of the Minister of Justice. I agree with the statement of the Minister of National Defence for Air (Mr. Power) that any veterans corps which are organized should be under the federal government. That is as it should be. Nothing would do more to disrupt the unity of this country than to allow private armies to be set up. We would have the wars of the roses or something else of that sort before very long. What people in certain parts of Canada are asking is not that wider powers should be given to the minister or that the regulations should be made more severe, but rather that our people shall be given an increasing feeling of confidence that the regulations are being administered impartially and yet at the same time aggressively.

The third thing which this group have sought to press upon the government is the need for having a direct relationship between parliament and the executive which is responsible for the administration of these regulations. I understand that in Great Britain regulations passed by order in council become invalid unless they are referred to parliament within a specific period of time. Certainly something of that sort ought to be done here. The fact that at this late date we are discussing regulations which came into effect nine months ago is to my mind a considerable reflection upon our democratic form of society. There ought to be some direct control as between the representatives of the people in this house and the executive body charged with the responsibility of administering these regulations.

The fourth thing—and this is what I mainly rose to say—is that those of us who have been criticizing these regulations have done so, not because they are too severe—that is not the proper term—but because in many instances they are not specific enough. They need clarification. Many of them are in such general terms as to permit of abuse. I need not go into details of the regulations because they have already been enumerated by the hon. member for Rosetown-Biggar (Mr. Coldwell). We are asking not for a lessening of severity so much as for a clarification of the regulations so that no innocent person may suffer, so that the regulations cannot be used by some reactionary individual or group of individuals to persecute other sections of the Canadian people. When I say that I intend no reflections of course on the minister; but ministers change and governments change, while these regulations become part and parcel of the law of Canada for the duration of the war.

There is always in war time the danger of hysteria; people lose much of the sanity which they have at other times. Newspapers within the last day or two have carried reports of people in libraries burning German books. I do not know why we should blame Immanuel Kant for Hitler, or Beethoven or Mozart for Goering and Goebbels, or Johann Strauss for Rosenberg. But people do that. There is always a tendency in war time for people, anxious as they are to do something, to give vent to their passions by engaging in witchcraft hunting.

What we are asking is that these regulations should be so clear and so specific that they cannot lend themselves to the persecution of any individuals or any groups of people in Canada. There are all over Canada to-day Canadians of German descent, some of them the finest Canadians in this country. Some of them hate Hitler much more bitterly than anyone in this house does, because they have relatives and friends who have suffered under the persecution of the Gestapo. Some of them have loved ones in the concentration camps. In my own constituency some of the first men to flock to the colours were young Canadians whose fathers and mothers came from Germany. We must not permit our passions at a time like this to run away with our judgment. The suggestion has been made in the course of this debate that we ought to give to the police the power of deciding whether or not a man should be interned. In doing that, we would set up here the very Gestapo, Ogpu or some other type of police system that would bring the star chamber system to Canada. We do not want that. We do not want these regulations to be used so that any group of people we do not like can be punished, hurt or persecuted.

I can think of no better illustration of what I mean than the speech made yesterday by the hon. member for Parkdale (Mr. Bruce). The hon. member for Parkdale came to this house with a long and distinguished career in public life, and I want nothing that I say this afternoon to be interpreted as indicating any lack of respect for his years or for his service to this country. But to come into this house and give a list of organizations and label them publicly as being subversive, without submitting one jot or tittle of evidence, is to do a rank injustice to thousands of good Canadian citizens who are not in a position to defend themselves in this house. I looked over this list. With many of these organizations I am not familiar, not even with their names. But first on the list I notice the Canadian Youth Congress. There may be many things about the Canadian Youth Congress of which I know nothing, but I do know something of the youth groups

which are associated with the youth congress. In the year 1936 three members of this house, the hon. member for Essex East (Mr. Martin), the hon. member for Greenwood (Mr. Massey) and I were selected by the League of Nations Society of Canada to accompany a delegation chosen by the Canadian Youth Congress to attend the World Youth Congress in Geneva, Switzerland. It may be that there are or have been young communists connected with the Canadian Youth Congress. What I do say is that there are thousands of young people associated with the Y.M.C.A., associated with different church groups or with different political bodies who are and have been affiliated with the Canadian Youth Congress.

I see another organization in the list—the International League for Peace and Freedom. Again I do not speak with any wide knowledge of its ramifications across Canada, but the branches of that organization with which I am familiar comprise fine, cultured Canadian women who have given time and thought to the study of international affairs; and for anyone without evidence, without submitting any proof whatsoever, merely to label these people as being subversive, is not only to be unfair to them but to do a considerable disservice to Canada itself.

What we are asking is that in our attempt to see that no elements of our country undermine our war effort, we should not allow any person or group of persons to use this power which is given to the government in trust to suppress labour bodies, producers' organizations, or to persecute groups of people whose opinions differ from theirs. We in this group have no apology to offer for making that plea, because in this house we recognized the danger of nazism and of Hitler in days past when it was not very popular to talk about it. As far back as 1936 we of this group impressed upon the government of the day the need of taking steps to stop the encroachments of fascist organizations in this country. We knew, as did every group of people associated with the labour and socialist movements around the world, what fascism and Hitlerism would mean to us. We have opposed them from the beginning; we shall continue to oppose them; but in opposing them we do not wish to see the desire to destroy Hitlerism used as a pretext to destroy other things in our society which are worth while.

What is said about fascism can be said equally about communism. Three of the hon. members who now sit with this group were opposed at the last election by communist candidates, and I believe that in the previous election four or five were opposed by communist candidates. That is quite understandable. The communist party knows perfectly well that social democracy, which requires the bringing about of social change by constitutional means, is the greatest enemy they have, and that is why they seek to destroy it. We have never held any brief for fascism or for communism, but we do make the plea that at this time these regulations should be clarified and should be so specific that there shall be no possibility of persecution in this country. In short, Mr. Speaker, we ask that while this country devotes all its energy towards the task of destroying Hitler abroad, we shall not hatch out a swarm of little Hitlers at home.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, my stand on this whole subject was set forth on May 20 and is to be found on page 58 of *Hansard*. On that occasion I spoke against extremes. There are certain of the defence of Canada regulations which in their present form are difficult to justify; for example, No. 39, which may I read?

> No person shall by word of mouth:—
>
> (a) spread reports or make statements, false or otherwise, intended or likely to cause disaffection to his majesty or to interfere with the success of his majesty's forces or of the forces of any allied or associated powers or to prejudice his majesty's relations with foreign powers, or
>
> (b) spread reports or make statements, false or otherwise, intended or likely to prejudice the recruiting, training, discipline, or administration of any of his majesty's forces.

The intent of that regulation is quite clear, and so long as it is administered by people who are careful, judicious and just and who are not under the influence of some species of hysteria, there will be no difficulty. But I contend that anything effective which could be said or printed could be classed as a violation of section 39. Anything against unemployment, for example, or poverty in the midst of plenty, or the low allowances to veterans or to veterans' widows, or the limited payments to soldiers' dependants, or any reference to our ineffective war effort, might be construed as an offence under this regulation. I could give examples of stories which, if they were to go abroad, would undoubtedly militate against recruiting; but surely the people of Canada are entitled to know about these things, or how in the world are we to remedy these ills as they develop among us?

It is true that there are modifying expressions in these regulations, such as are to be found on page 13, which I crave the indulgence of the house while I read:

> 1. The ordinary avocations of life and the enjoyment of property will be interfered with

as little as may be permitted by the exigencies of the measures which may be required to be taken for securing the public safety and the defence of Canada.

The departments of the government, officers thereof, and other persons executing the following regulations, shall observe this general principle.

But even such tempering influences do not sufficiently safeguard the rights of free speech which are indispensable to a developing public opinion. We want full protection against all real or genuinely potential subversive elements, but we do not want to leave the way open for some overzealous advocate to inflict tyranny, oppression or calculated repression upon thoroughly patriotic people earnestly seeking to increase Canada's effectiveness against Germany. It is customary to make laws rather severe with the idea that discretion be exercised in the administration of the law. Let us not be over-severe in the wording, lest a sort of panic bring undue pressure upon local authorities.

Up to the present time I have had no evidence of abuse resulting from the stern wording of these regulations. Because of that, I believe that the Minister of Justice (Mr. Lapointe) and the government as a whole are deserving of the highest form of commendation, and I wish to express my appreciation of the attitude of the minister, as evidenced in his speech this afternoon as well as in his administration up to the present time. I thought, while he was delivering that speech, surely here was a man to whom the word "noble" can be applied with complete moderation.

That we have had thus far no regrettable misconduct in Canada and no unbecoming precautionary treatment of people is, I think, a high tribute to the government, to the Minister of Justice, and to the mounted police throughout the land who are charged with the difficult task of administering this set of regulations not too leniently and not too severely, and of endeavouring to hold restless people in check while they do it.

Democracy requires a strong sense of public duty in the hearts of all concerned: on the one hand the people, on the other hand the executive, and on a third hand, if that is not too much of an incongruity—may I say?—members of parliament and newspapers and others whose words may be listened to. Time and again during the last few weeks I have been mortified while sitting in this house because of the way in which matters which, in my judgment, never should have been brought up and dragged around in the light of day were forced out, whether the disclosure was calculated to do good or harm.

[Mr. Blackmore.]

Since the war broke out, it has been my privilege to take up with the officials and the ministers of this government a good many matters such as have been referred to in this chamber by a number of hon. members. I believe that, if some important power line is undefended, the last thing in the world it is my duty to do is to advertise the fact from one end of Canada to the other and, indeed, all over the world. When such things have come to my attention I have considered it to be at least my duty to tell someone responsible, and tell him in a quiet way. For us who are members of parliament it is the easiest thing to get on the telephone and talk with a man in a position of responsibility, or write him a letter. I have found all of the officials, every one in every department with whom I have had any contact with respect to any of these matters pertaining to the war, to be most ready to listen and to investigate everything that has been brought to their attention. Why not tell these men? Why rise here and noise it abroad from this house? Tell them, so that if measures were under way looking towards the remedying of the ills complained of, they might not be thwarted as a result of injudicious publicity. I say that if there are unprotected power lines and munition factories, if there is danger to bridges, if there are nazi threats and subversive organizations, the proper procedure for a member of parliament is to bring such matters to the attention of the people whose duty it is to look into them. It is important that members of parliament and other responsible persons, newspaper men and others whose privilege it is to be in a position where they are likely to be listened to, should use discretion and wisdom and be guided by a sense of public duty.

The people must not be over-confident, lacking in humility, lacking in exertion or the will to exertion. They must not become defeatist, they must not be hysterical. They must discourage emotional rumours tending to engender suspicion. I have known communities to be thrown into a state of semi-panic for months because of persistent rumours on the part of imaginative creatures that there were night-prowlers in the district. We are in a similar position in Canada. It is the easiest thing for some one, some emotional, imaginative person, to whisper in agitated and perturbed tones about this, that and the other thing, telling people about night-prowlers, so to speak, in our dominion community. It becomes necessary for the people as a whole to be on guard against this attitude, to be circumspect and reserved.

I think the Minister of Justice dealt with the matter well, and I was pleased that the

former Minister of Labour, in the last speech that we shall ever have from him on earth, counselled the same thing. Our executives and officers should be careful, dignified, vigilant and relentless, but just.

Our group would urge upon the government, first, that they greatly increase the mounted police force. That has been advocated before, but none the less we feel it is so important a matter that it can stand repetition. We believe also that the mounted police might, as a result of a great increase in numbers, patrol more particularly all areas where nazi or fascist feeling is likely to be fomented. Finally, we urge the government to make the wording of the regulations more specific.

The minister well pointed out this afternoon that there is a genuine difficulty in finding trainers suitable to instruct young prospective mounted policemen. May I deviate to some extent from the general subject we are discussing to point out that there are many things in which the mounted policeman needs to be trained, which it does not require a master teacher to teach him. I see no reason why a good many youths could not be going through such elementary training at the hands of people who perhaps are not fully qualified to give them the last touches in the final education of the policeman and the responsibility attaching to his office. I feel the same with respect to a good many other things in the country to-day.

We hear the cry that we have not young men who are trained in building aeroplanes and tanks, but I feel like complaining that there is not sufficient effort being put forth to take the youth and begin training them. I feel like complaining to the government concerning a similar lack of elementary training for youths who before long will be called to the colours to defend the country. Surely they can at least be put through courses of physical training and many other varieties of conditioning. The same applies to the mounted police. Before we finish this long and fateful struggle, we may find our need for mounted policemen greatly increased. It will then do us no good to say that we have no teachers. We shall have to have the policemen; why not look to the future and take precautions and make provision, so that we can at least be paving the way for future policemen?

This is all I have to say for our group. I wish to congratulate the minister once more, and I wish sincerely to congratulate the government in this matter of the defence regulations. It is fitting that the Prime Minister is the one who has put on the order paper the motion calling for a committee to investigate this whole question. I congratulate him and his government. We are all of us interested in bringing about in Canada a set of conditions under which the country may the better gird herself for the terrible struggle which lies ahead, no one knows for how long.

Mr. A. R. ADAMSON (York West): Mr. Speaker, as one member of parliament who has already run foul of these regulations, I should like to be permitted to add a few suggestions to the house and to the committee who will have this matter under revision. Let me say at the outset that I am entirely in favour of these regulations, even regulation 39 (a), under which, along with others, I was subjected to what I considered then, and am still of the opinion, was unwise and stupid censorship of radio broadcasts during the election campaign. It is not the regulations with which I take issue but with their application. Possibly the hon. member for Parry Sound (Mr. Slaght), who has such an elegant taste for rope, will say that the interpretation has been altered. However, I speak only from actual experience.

Mr. HANSON (York-Sunbury): Of rope?

Mr. ADAMSON: Not yet.

During the campaign I as well as many others had scripts of their radio addresses censored by authorities set up at various places throughout Canada by the government. This censorship was of a mandatory nature; it had nothing voluntary about it. The radio stations in my case were CFRB and CKCL. They informed me that I must submit my script to the censor, that they could not and would not accept responsibility for allowing it on the air, because they were not sure of the application of these regulations. I took my script in each case to Mr. A. A. Fraser who is, I believe, law clerk of this house, and in every instance he found material that he considered inadmissible under the regulations. During the course of the campaign we got to know each other fairly well, and in fact became quite friendly, notwithstanding the fact that I entirely disagreed with his rulings in each case. I contended then, as I still contend, that discussing certain military shortcomings as a criticism of the government, which were well known to many of the general public, was not and is not an act intended or likely to cause disaffection to his majesty, or to interfere with the success of his majesty's forces. The information I had concerned the armament of the first Canadian division. It was subsequently given by the Minister of Finance (Mr. Ralston) in a speech at Kingston almost in identical phrases and words that I had

intended to use. If the house will allow me, I should like to read a part of the contents of my script which the censor found inadmissible. This was in a radio speech of February 23, 1940. I will start with a paragraph which gives the context:

Germany now has three courses of action open to her. She can continue the status quo, hoping to break the British blockade, while her air force harries the civilian population of the allies, hoping to break down their morale. She may attempt a mass assault on the French fortified line, hoping for a break-through similar to that of March 21, 1918, or she may try to "blitzkrieg" some neutral country either east or west with her strong mobile mechanized army, in the hope of obtaining necessary raw materials and food.

This, ladies and gentlemen, is the situation which confronts us now and has confronted us for the past five months. The issue in this election is between what we could have done about it and what we did and are doing about it.

The censor deleted a statement of conditions on that date, which was February 23 of this year. My script said:

I will briefly look at the conditions as they exist to-day. In the infantry there are under a dozen Bren guns in military district No. 2, the largest district in Canada. There should be fifty for a battalion. There are no new Vickers machine guns. There is a dearth of instruction pamphlets for the seven units trying to run schools and train men.

This was censored from my radio script. Also the following:

In the artillery there is not one single modern gun or howitzer. The new twenty-five-pounder combination gun-howitzer has not been seen. There are, I believe, two modern two-inch trench mortars. There should be over a dozen to a battalion. There is, I believe, only one anti-tank rifle. There should be ten to fifteen of these per battalion.

With regard to tanks I intended to say this, which was censored by the censor:

The four other tank battalions of the C.A.S.F. have no tanks with which to train, and practically no training equipment. The British government have intimated that they can do no more than supply their own units. No tanks are being made in Canada.

That, Mr. Speaker, was a statement of facts generally well known in Canada. It was censored, the mandatory word "delete" being placed opposite it. Then I said:

I have not heard of the formation of a railway corps, tunnelling and mining companies, or a forestry corps, and I believe I would have heard had they been established.

It gives me no pleasure to disclose the shortcomings in Canada, and as a soldier I regard it as a sad and repugnant duty. That it is a duty nevertheless I am sure, because if these facts are not brought out the public might be led to believe that all was well in this the most perfect of all Liberal worlds. Unless the public is aroused to the truly scandalous state of our armed forces, nothing will be done and our troops will continue to be inadequately armed and equipped.

[Mr. Adamson.]

The statement beginning "unless the public is aroused," was mandatorily censored.

It seems to me, Mr. Speaker, that to censor a statement made over a radio station and allow that same statement to be made on the public platform and printed in the daily press, verges on the sublimely ridiculous.

Now I contend that we should follow the British practice.

As it is now six o'clock, I shall defer the rest of what I have to say until after the dinner recess.

AMENDMENT OF DEFENCE OF CANADA REGULATIONS DECLARING CERTAIN ORGANIZATIONS ILLEGAL

Right Hon. ERNEST LAPOINTE (Minister of Justice): With the consent of the house I should like to lay on the table copy of an order in council making illegal certain organizations, namely:

Italian Fascio Abroad (Fisci Italiani All'Estero).

OVRA Opere Volontarie Repressione Anti-Fascisto (National Organization for the Repression of Anti-Fascism).

Dopolavoro (After Work Organization).

Associazione Combattenti Italiani (Italian War Veterans' Association).

OGIE Organizzazioni Giovanili Degli Italiani All'Estero (Italian Youth Organization Abroad).

The Italian United Moral Front (a combination of Italian and Italo-Canadian societies in Montreal under the control of the Canadian Fascio).

THE LATE HON. NORMAN ROGERS

MESSAGE OF SYMPATHY FROM UNITED KINGDOM BRANCH OF EMPIRE PARLIAMENTARY ASSOCIATION

Mr. SPEAKER: The following cable, dated June 13, has been received by Doctor Beauchesne:

Empire Parliamentary Association,
House of Commons,
Ottawa.

Members executive committee United Kingdom branch Empire Parliamentary Association at meeting to-day resolved convey your Prime Minister and cabinet and other members your branch their deep sympathy in the great loss sustained by tragic death of Hon. Norman Rogers and their profound regret at removal from Canadian public life of one whom they had the pleasure of receiving at the houses of parliament quite recently and who impressed all with the conviction that he was playing a most valuable part in the present great emergency and was destined to play an even greater part in the future of Canada.

L. S. Amery,
Chairman of meeting.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

NATIONAL DEFENCE

APPOINTMENT OF COMMITTEE TO CONSIDER AND REVIEW DEFENCE OF CANADA REGULATIONS

The house resumed from Wednesday, June 12, consideration of the motion of Mr. Mackenzie King for the appointment of a committee to consider and review the defence of Canada regulations passed under the War Measures Act.

Mr. A. R. ADAMSON (York West): Mr. Speaker this afternoon I was able to point out to the house the methods of censorship employed by the government of Canada during the past campaign. I should like to contrast these with the methods employed by the government in Great Britain, and point particularly to the latitude allowed in England in respect of the criticism of the government of the day not only in the house but out of it. In this connection I shall quote the words of Mr. Herbert Morrison, who was subsequently taken into the British cabinet. This is the criticism he made in the House on May 8, 1940, in respect of the British expeditionary force which had been sent to Norway, and the subsequent withdrawal thereof:

> I come now to a series of questions which I should like to put to the ministers concerned, and most of which I think can properly be put to the first lord of the admiralty.
>
> Was there a plan in operation for unity of command between the various forces in Norway, at any rate as soon as it was practicable to engage in operations? Is it the case that anti-aircraft guns were sent without predictors, and that they were sent a week late? Is it the case that other guns were sent without ammunition? Is it the case that machine guns were sent without spare barrels? Was there any proper liaison between the port occupied by us at Namsos and the port occupied by us at Andalsnes; were there proper communications between those two points? Is it a fact that the military force was not supplied with snow-shoes, the consequence being that the troops were stuck on the road and were bombed there?

The result of that criticism was a severe shake-up in the British cabinet, and Mr. Morrison was given a portfolio. When we criticize in this House of Commons we are accused of being saboteurs. I point that out to indicate that this was an expedition sent over apparently ill-equipped—subsequent information has found that to be so—and improperly supplied, without the essential requirements of war.

I believe it is the duty of the government and of hon. members to point out deficiencies, where we see them. It is our duty in my opinion to inform the people of Canada on the actual state of our military effort. I do not believe we can gain anything by false optimism and by hiding facts, no matter how unpleasant they may be. While I realize there is no good crying over spilled milk, yet I think that had we been fully alarmed and fully prepared earlier in the war we would not find ourselves in the predicament in which we are to-day. I have thought, with all due humility, that it was my duty to do everything I could to bring our lack of preparation to the attention of the Canadian people, in order that they may become alarmed, and force a more vigorous action upon the government.

I do not consider any action of mine either in or out of the house has in any way hindered our war effort. I mention these points now because I believe the committee to be set up may well take them under advisement. I shall not attempt to show in what kind of fools' paradise we have been living, but may I point out some circumstances surrounding the proposed showing of a German motion picture. While this matter may not properly concern the federal government, yet indirectly it must concern it. A German motion picture had been produced, showing the entire mechanized force of the German army. It showed twenty-five miles of tanks, and dive bombers diving on their targets. It gave a perfect example of what is now known as the blitzkrieg. That picture was suppressed by the motion picture censors in Ontario, and for this amazing reason: It was said that the showing of the picture might frighten the Canadian people. I hate to think that I belong to a country so easily frightened as that.

In conclusion, may I congratulate the Minister of Justice, (Mr. Lapointe) upon the lack of alarm, generally, and the lack of any untoward incidents having taken place so far in Canada. Coming from an industrial constituency, one in which we have a large number of foreigners, I realize the tremendous difficulties the Minister of Justice has on his hands. The fact that there have not been any serious acts of sabotage is one worthy of commendation, and reflects credit upon the efforts of the minister and his peace officers.

Mr. Speaker, I shall certainly support the resolution. It is necessary for the good of the whole in time of war that certain liberties of the citizen should be taken away. I am prepared, and I think most other hon. members will be also, to be subjected to considerable restraint in order that our effort may go on unimpeded and that victory when it comes shall find us a truly united nation.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I listened with great attention this afternoon to the speech of my right hon. friend, the Minister of Justice (Mr. Lapointe), and I was never so proud of him. He is probably the greatest Minister of Justice we have had in Canada since the Hon. Senator Aylesworth occupied this high office in the cabinet of Sir Wilfrid Laurier. His task will be made more difficult under these regulations, but I know he will not hesitate a single moment to make decisions which he considers fair and just. He referred to the difficulty he had in arriving at decisions in certain cases, taking into consideration the interest of the individual and the interest of the state. We are all prepared to submit to regulations of this kind during war, and of course this legislation is to be enforced only during war time. I am sure my right hon. friend has appreciated the tributes that have been paid to him, all of which are well deserved.

A short time ago I considered it my duty to get in touch with the able commissioner of the Royal Canadian Mounted Police and give him certain information with respect to the spreading of communistic propaganda among the lumberjacks in my constituency. Means have since been taken to stop this propaganda. One of the most important seizures of communistic propaganda ever made in a large city of Canada was made on information forwarded by the member for Témiscouata to the mounted police. I am not boasting; I consider I was simply doing my duty. In this connection I had the assistance of certain parish priests who were ready to look after the welfare of their people in a highly patriotic manner.

At times certain hon. members of the opposition appear to be grouchy with the government. It is their right to act in that way, but when they do so they should not speak of cooperation. The kind of cooperation they are offering is cooperation with a big stick, something amounting to blackmail.

Mr. HANSON (York-Sunbury): Should the hon. member say that?

Mr. POULIOT: I am simply saying what the hon. member for York West (Mr. Adamson) has said. He stated that Herbert Morrison had held the big stick over the British government until he was finally invited to join it.

Mr. ADAMSON: I did not say that.

Mr. POULIOT: The hon. member did not mention the big stick, but his words had the same meaning.

[Mr. Adamson.]

Mr. ADAMSON: I was referring to the just criticism which Herbert Morrison made of the scandalous course of action of the government. I say it is our right to offer just criticism. I did not say we were holding the big stick over the government. The hon. member for Témiscouata (Mr. Pouliot) is entirely wrong.

Mr. POULIOT: I admit that the hon. member did not mention the big stick, but that is how I understood his speech. Moreover the hon. gentleman said that whatever he said, whether in this house or outside, could not cause any trouble to the government. The hon. gentleman is apparently quite modest. He is admitting that his actions, for the better or for the worst, are equivalent to nothing.

Since I became a member of this house I have asked many questions of the government, but none were so much to the point as were the three asked this afternoon by the hon. member for Parry Sound (Mr. Slaght). The hon. member was making certain inquiries of the hon. member for Parkdale (Mr. Bruce). The latter hon. member has much in common with the former great leader of the Conservative party, Sir John Macdonald. I cannot say that he has the experience of Sir John, because he is a newcomer to politics. I cannot say that he has the sagacity of Sir John, because he advocated sterilization in Ontario and did not apply it to his own tongue. The hon. member for Parkdale is at the dawn of his political career, while Sir John was at the dusk of his career. The hon. member for Parkdale would not answer the questions asked by the hon. member for Parry Sound. He said, "Later." Apparently the only thing he has in common with Sir John is his nickname, "Old To-morrow."

Every citizen of this country, as well as every member of this house, will be bound by these regulations. Therefore, they shall be construed in a spirit of justice and equity, and they shall be applied in the spirit in which they are made. I think it is only right that the whole matter shall be submitted to a committee of this house composed of members of all the political parties. Those members can then express their views and make the best of it. Many members of the legal profession will be on this committee and they will have to put into legal phraseology the suggestions of their fellow members. Sir, I am all for these regulations, and I am all for enforcing them. On the other hand I am all for freedom of speech in this house, freedom to the utmost, and I leave it to you, sir, to decide whether discussion on any matter shall be public or not. If in your judgment any discussion that is being carried on in this house

is not in the public interest for all to hear, you have the right to clear the galleries and to prevent any outsider from listening to our discussions. That is how I understand the freedom of discussion in this house.

We have regulations of our own in this House of Commons, the rules of the house, and provided that a member keeps within those rules in expressing his views, there is no reason for calling him to order or for shouts of "order" to be coming from the powerful breasts of some members of the opposition. We are here to fulfil a duty, and to do that we have to inform the government of the facts; we have our suggestions to make in all sincerity, and each of us can make his humble contribution to the public life of this country. But when a member is speaking sincerely—and I give credit to all members of this house for sincerity—and says what he has to say upon any matter whatsoever, it is pretty hard for him to be interrupted without reason. Sometimes a certain noise will come from the other side of the house, and members on either side may rise to protest against certain things that might be said. Of course a member always has the right to bring to the attention of the chair that some statement which has been made is irrelevant; and if any member is attacked unduly, he has the right to rise to a question of privilege and insist on any unparliamentary language being withdrawn. But I do not see why on certain occasions some members who have not read the rules of the house, or who, if they have done so, have never understood them, should rise just to create trouble and try to prevent a member from making his argument.

At the present time we and our allies are fighting for the liberties of the world, and if there is a place where the liberties of Canada should be maintained, it is in this House of Commons. Sir, as a man of learning you know that the speakership owes its origin precisely to the desire of the commoners to have their rights clearly defined and fully vindicated before the throne. That was the very beginning of the institution of the speakership. The Speaker had to defend the rights of the commoners. That is why at the opening and prorogation of every parliament you, sir, appear before the bar of the Senate in your capacity as Speaker of the House of Commons, to show that the Commons are still vindicating their freedom and liberties. That is also the reason why at the very beginning of every session, before even the speech from the throne is read, the Prime Minister introduces a bill just to show that the rights of the people and of the commoners are being maintained in this country. That is a marvellous tradition which we have taken from the mother of parliaments, and it is in such matters that we follow the true traditions of British parliamentary life.

Yes, Mr. Speaker, I am all for regulations. War-time regulations—I am all for them. The rules of the house—I am all for them. But as I have already stated, no member has the right to stop another member from making any statement so long as he is acting in accordance with the law of the land, whether this law has been passed by parliament in virtue of the War Measures Act or by the Commons in the form of the rules and standing orders of the house. Therefore I warn every member against undue sentimentality. If criticisms are made at times, they are not made just for fun; they are not made in anger; they are not vindictive. They are made because the one who makes them thinks it his duty to make them. Therefore, sir, we are all in your hands, and I am glad that we are. I have great confidence that you will maintain those high traditions of our parliamentary life and with regard to offenders, those who rise without knowing the rules of the house, just on the spur of the moment or at the call of a colleague, without knowing perhaps one word of the discussion that is being carried on, and interrupt just to create trouble, I trust, sir, that you will bring them to their senses, call them to order and teach them to respect the rules of the house, and before that, to read them; and if they do not understand them, that you will have them explained by the clerk. That, sir, I think, is a service that I render to each member of this house by reminding him of the rights that he has in his capacity as a free Canadian and as a member of the House of Commons of Canada.

Mr. GEORGE BLACK (Yukon): Mr. Speaker, as I listened to the Minister of Justice (Mr. Lapointe) this afternoon making such an admirable presentation to the house of the situation that has arisen in Canada because of the war, necessitating the framing and enforcing of the defence of Canada regulations, I recalled many other occasions in past sessions when I heard the same Minister of Justice present to the house in an admirable manner cases which perhaps were not as strong as the case he had this afternoon, but nevertheless all were admirably presented.

I regretted to hear the Minister of Justice say this afternoon—and I do not wish him or any other hon. member to misunderstand me—that in one case where an alien enemy had been interned and later released, the minister had, in response to public opinion, although with regret, ordered the man's reinternment. I sincerely hope that in that case public opinion was correct. But in cases

wherein proper investigation has been made by authority, and pursuant to that investigation internment has been ordered, no outcry of public opinion should be allowed to influence the minister to order a release. He should make sure that "the quality of mercy is not strained," that political opinion is not confused with public opinion, more particularly as to reasons advanced for the release of persons interned after a proper investigation.

As to whether, in the words of the resolution, the "regulations reasonably meet the requirements of the country in time of war," speaking for myself, and not for the party to which I have the honour to belong, or for any other party in this house, I am of opinion that these regulations as they are reasonably meet the requirements of the country in time of war. But I do say that the administration of the regulations requires the exercise of wisdom, justice and common sense. Failure to apply common sense to regulations was strikingly demonstrated this afternoon by the hon. member for York West (Mr. Adamson) in telling the house of his experiences with the censor. The official in that case, in my humble opinion, lacked common sense.

From a personal experience extending over a period of over forty years in association with members of the Royal Canadian Mounted Police, and in observing the splendid manner in which they discharge their duty, I feel amply warranted in expressing the same admiration of that force as I was delighted to hear the Minister of Justice express this afternoon.

I do not intend to take up the time of the house in making a speech on this resolution, or on the proposed amendment to it, which any hon. member could easily take up forty minutes or more in discussing. But with all due respect to the Prime Minister (Mr. Mackenzie King) who moved the resolution, I just say this, that the defence of Canada regulations were prepared by an able committee well-qualified for the work. Their names are set out in the book of regulations. The personnel of that committee was well-selected and is one to inspire confidence. It includes officials of the Department of Justice and officers of the Royal Canadian Mounted Police. The recommendations which it drew up and recommended were adopted by the government. From time to time they have been amended to suit conditions, and will continue to be amended as circumstances require. I have confidence in the course which has been and will continue to be taken by the Minister of Justice, advised by the Royal Canadian Mounted Police. I say that the enforcement of these regulations, as well as the drafting and wording of them, is a government responsibility, a responsibility not to be shifted to a committee of the House of Commons. In my opinion, with all respect to the hon. members who have been suggested as members, to refer the question to a committee will be a waste of time; it will be unnecessary. In the words the Minister of Justice used this afternoon, I think this is a case where we should trust one another. For my part I am quite content to trust in this matter the Minister of Justice and the Royal Canadian Mounted Police.

Mr. J. GORDON ROSS (Moose Jaw): Mr. Speaker, the resolution with regard to the defence of Canada regulations is an important one. Much more important, however, than the regulations themselves is the enforcement of them. I am satisfied that, under the general authority of the minister, the Royal Canadian Mounted Police have done a good job. My only concern at the present time is as to the willingness of the minister courageously to go after those men who are more dangerous than the German-born and Italian-born who have already been rounded up. I have no desire to minimize the danger of sabotage by enemy agents, but the minister has reported that there has been no such case as yet and that the police are ready to meet any such attempt.

There has been, however, repeated sabotage by men in high places, for instance, Premier Hepburn of Ontario. No man in Canada has done more to destroy unity in this country, to create suspicion, to foment dissension and to discourage recruiting than this man has. His high place has given him no sense of responsibility. It should therefore give him no special privilege. Everyone knows that any ordinary citizen of this country who said one-tenth of what Hepburn has said would long since have been charged under the regulations. It is because of the position Mr. Hepburn occupies, because of the publicity he receives, that he is more dangerous, and he should be stopped. I say this in all seriousness. It is not only by word that he has hampered our war effort. It is quite evident from recent events that he has forced the federal government to assume new burdens in guarding Ontario hydro plants; and this step was taken at a time when the situation overseas was most critical and called for the greatest amount of help on the part of all citizens to the federal treasury and to the already overburdened officials, rather than an added strain. Hepburn is blinded by hate. He has lost all sense of decency, and has never desisted from hampering this government.

Mr. JOHNSTON (Bow River): He is a good Liberal, though.

Mr. ROSS (Moose Jaw): Not even the plight of France, the plight of England or the present crisis of the civilized world restrains him. I am not prepared to say, and I even hesitate to think, that he is deliberately trying to aid the enemy—

Some hon. MEMBERS: Oh, oh.

Mr ROSS (Moose Jaw): —but he could not be a better servant of Hitler and Mussolini—

Mr. JOHNSTON (Bow River): Well, he is a Liberal.

Mr. ROSS (Moose Jaw): —if he were a paid agent.

Mr. JOHNSTON (Bow River): He belongs to the Liberal party though.

Mr. ROSS (Moose Jaw): Associated with Hepburn in the wrecking of our war effort are a craven crew who, while loudly shouting loyalty, are so concerned over their own hides and their own possessions that they are willing to destroy our effective cooperation overseas. What have we heard from another place but criticism of sending our aeroplanes overseas to help to defend the mother country at this time, demands for more and more home guards, for bringing back McNaughton—all designed to destroy the work we are doing so that they may feel more secure. But it has always been thus. Those who were the loudest at the outset are the quickest to run for cover when the going gets tough.

It is time the people of Canada know where their real danger lies. It is in continuing to countenance men of the stamp of Hepburn and that anonymous crowd who are plastering Ontario with advertisements, with car-stickers which can serve no useful purpose in the common cause and are not intended to serve any cause broader than the narrow interests of a group who have more money than marrow, more prejudice than patriotism, more ineffectual meddling than intestinal fortitude. It is time that the Minister of Justice (Mr. Lapointe) and his officers took action against such people as these, who are the real enemies of Canada and of the empire to-day.

Mr. F. W. GERSHAW (Medicine Hat): Coming from a district in which there are many people whom we have welcomed to our land from distant shores, I want to say a few words on this resolution. Because so much has been said, and because there seems to be unanimity on all sides of the house, my remarks will be extremely brief.

I have had communications from many parts of the district whence I come, and I can assure this house that loyalty is the predominant sentiment in that district and that the people are anxious to have our contribution to the cause of the empire and of the allies whole-hearted, continuous and complete. Even in the rural homes and in the very humble settlements people on every hand are looking beyond their personal and local troubles and are anxious to know what they can do to contribute to the common cause.

I am convinced that there is no organized, dangerous subversive activity going on. Here and there an individual will express thoughts that should not be in the mind of any Canadian. Words may be said belittling our Canadian institutions or indicating a preference for institutions of some other country. Here and there some individual may take pleasure and even glory in the apparent successes of Hitler. These things rouse our blood and I say that they should be, as in fact they are being, sternly dealt with. They should be dealt with by government-controlled organizations. Local organizations may get together with the very best intentions in the world and yet, under certain circumstances, they may be induced to do something that is not in harmony with British justice.

Gibbon, in the book entitled "Canadian Mosaic", says that of the German-speaking people in Canada only ten per cent have come from Germany. Most of these people are Russian Germans. They came in the nineties from Russia, where they had been settled since the days of Catherine the Great, who encouraged them to go there because she desired to have artisans. The chief organizations among them are their churches, and these Canadians of German origin came from families who left Europe to escape oppression resulting from war and to find sanctuary in Canada. Canada at the moment, however, may not be a sanctuary because we have a war at our very gates. Nearly all of these people have been and still are good citizens, and while they remain so, we should be careful not to be unfair in our suspicions of them or to be overzealous in suspecting them.

This country at the present time should be guided by humanitarian considerations. We need the help of all. Indeed, in every problem, social, economic or in connection with our war effort, these humanitarian considerations must prevail if we would have the universal urge to rally unitedly and unreservedly to the cause of our country.

Mr. W. A. TUCKER (Rosthern): It was not my intention to take any part in this debate, but in the course of the discussion some figures were given as to the number of people of German racial origin in Canada. If those figures were intended to prove anything, they were intended to suggest that because there are several hundred thousand people of German racial origin in this country, that fact in itself constitutes some menace to our present situation.

Representing as I do a constituency in which there is probably a greater proportion of people of German origin than in any other constituency in western Canada, I felt I could not possibly let this debate pass without making a few remarks in view of the statements that have been made.

I considered that the last election was an admirable chance for these constituents of mine of German origin to show whether they were loyal to Canada and our empire or not. Opposing me was a member of the Cooperative Commonwealth Federation party, who asked for support on the ground that he was absolutely against taking any part in the war. He said that he endorsed the stand of the leader of the Cooperative Commonwealth Federation (Mr. Woodsworth) and that a vote for him was a vote to withdraw any troops that had gone overseas and to take no part whatever in the war. He told these people that the Liberal candidate was a returned soldier supporting the attitude of the Liberal government to the limit, which attitude was that upon the outcome of this war depended the future of civilization and of Canada and that we should do everything we could, consistently with declared policy, to ensure the success of our efforts to win the war. That was the stand I took. These people had a chance to mark a secret ballot, and if they had wanted to vote against participation in the war they could have voted for the Cooperative Commonwealth Federation candidate and voted against me. I feel, Mr. Speaker, that it would not be fair to these people if I did not tell you on the floor of the house to-night that in the German speaking and Mennonite polls in the constituency of Rosthern I received a majority of over a thousand votes over my Cooperative Commonwealth Federation opponent. That does not look as if the very fact that a person is of German origin shows that he is not heart and soul with Canada and the empire in this time of crisis.

Two days ago I received a letter from a very good Mennonite friend of mine. He ended that letter with these words: "God save our empire." I think I know the people of non-English-speaking origin perhaps as well as does anyone in this house. It is quite true that there may be a few individuals here and there who have been seduced by the nazi propaganda which has been poured into this country. But I am absolutely satisfied that the overwhelming majority of our people of non-English-speaking origin in western Canada are absolutely with Canada heart and soul just the same as are their fellow Canadians.

The vast majority of the population of the district of Rosthern is made up of people of non-English-speaking origin, Mennonites, Ukrainians, Poles, Hungarians and people of German origin, and a definite appeal was made to all of them that here was their chance to vote against a man who was supporting the government that brought Canada into this war and was resolved that she should do all she could to help win it and defeat Hitler. And as I say, the fact that that constituency returned me and defeated my opponent shows where they stand. With the secret ballot they could have had it otherwise if they wished. It is too bad that just because a few people here and there see fit to talk against their country, people should jump to the conclusion that vast groups of good Canadian citizens are not absolutely loyal.

Being a returned man myself I feel I can speak to fellow returned soldiers. I would say to the returned soldiers throughout this country, and particularly some members of the Canadian Legion: You are not serving the best interests of Canada by calling in question the loyalty of large groups of non-English-speaking origin just because one or two here and there have said things that they should not say. I would say to them that by questioning the loyalty and good faith of people who are loyal to Canada to their very heart's core, they are hurting those people almost intolerably, and they are destroying the very thing we, all of us, want to build up in this country, that is Canadian unity, the thought that we are all Canadians regardless of the country of our origin. I cannot think of anything that would more discourage a man, say of German origin who is absolutely loyal to this country, who has turned his back firmly upon the appeal of blood and fatherland, and is ready to stand by Canada to the last, than to find that he and all his friends are branded as untrustworthy. I cannot imagine any way to play more into the hands of Hitler.

We know, or at least some of us know who have had a chance to read his nazi propaganda, that what he endeavours to teach the people of German origin is that "no matter if you try to creep into camp, you will never be accepted as one hundred per cent Canadian or British citizens; they may

pretend that they accept you; but let a crisis come and they will show that they do not trust you, will turn against you and try to put you out of jobs, will malign you and do everything to hurt you. Therefore the thing for you to do is to support Hitler and Germany's striving for world supremacy. Then when Germany gets control of the country you will be a one hundred per cent citizen." To my friends here and there throughout Canada who from the best of intentions but without reason attack these people just because they may have a German name, who question their loyalty, and endeavour to drive them out of positions, I say: You are playing right into the hands of the supporters of Hitler who put out that very propaganda. They throughout the length and breath of my constituency are saying, "Look, what did we tell you? We told you that you would never be accepted as a British subject. Look at the resolution of this branch of the Canadian Legion; look how this boy of yours who had a good job and was accepted as a Canadian is now maligned and how attempts are made to deprive him of his job; does it not prove what we told you? The thing for you to do is to line up with us and help us out."

I say that the proper attitude of all Canadians is, look to the present and future unity of our country, so that it can put forth the effort of a united people, and let us trust our fellow Canadians no matter of they have German or non-English sounding names, accept them as good Canadian citizens unless it is proved that the contrary is the case.

The Minister of Justice and this government, by refusing to be stampeded by cries for persecution against good Canadians, by saying that the man who is a German agent we will put in a concentration camp and keep him there, but we are not going to condemn a whole community because one or two people have been seduced from their allegiance, by handling this difficult problem in this most statesmanlike way have done the best job that could possibly have been done for the present and future unity of Canada. I want to pay this heartfelt tribute on the floor of this house to-night to the work they have done. In view of the fears which have been generated by the thought that we have in our midst perhaps half a million potential enemies, I should not be doing my duty to my fellow citizens of non-English-speaking origin, many of whom are to-day in the armed forces of our sovereign—in the first division there were proportionately more boys of Ukrainian origin than their proportion of the population of Canada—if I did not tell my fellow members that from an intimate knowledge of thousands of people of non-English-speaking origin I know that they are just as loyal to Canada and our empire as the members of this House of Commons. It is our duty to let them know that we trust them, and together we will then go forward as a united people regardless of racial origin and place the name of Canada high on the roll of the nations of the world where tolerance is preached and practised.

Mr. NORMAN JAQUES (Wetaskiwin): As the hon. member for Lethbridge (Mr. Blackmore) said this afternoon, we in this group—and I might say, those who agree with our views all over the British empire— anchor ourselves to the British crown and to the sovereignty of the nations comprising the British empire. I mention this because I wish to call the attention of the Minister of Justice (Mr. Lapointe) to a movement which has for its aim the surrender of the sovereign rights not only of Canada but of the other nations composing the empire. I refer to a movement which has for its object what is known as a federal union. It is proposed that in order to achieve federal union the countries of the empire shall surrender their sovereign rights to an international control. In the London *Times* of November 3, and also in different papers in Canada, including the Winnipeg *Free Press*, this idea has been strongly supported, and it is suggested or proposed that we surrender our sovereign rights over finance, armaments, fiscal policy and the judiciary. I ask this question: If we surrender those rights, what rights are left? This parliament would be reduced to the status of a parish council, and if we surrender our sovereignty surely we would be surrendering the sovereign, himself. I cannot see how we could have a sovereign without sovereign powers.

In last week's edition of *Saturday Night* there is an interesting article by Dorothy Thompson, in which she sets forth the aims of Hitler, if and when he wins the war. Those aims and proposals are precisely the same as federal union. It is the same old horse with a different rider. The author claims that she was informed by a number of the highest placed nazis that the control of finance would reside in Berlin; all countries would be disarmed; there would be complete free trade in Europe.

As I stated before, that is precisely the aim of federal union. But instead of control being in Berlin under Hitler, under federal union the control would be under an international control at Geneva, Basel, or Jerusalem. Why is it that communists, who have precisely the same aims and, so far as I know, have been no more violent in their activities than

have the people who are actively preaching federal union, have been interned or have had their movements suppressed, while the ideas of federal union receive the encouragement and, in fact, the active encouragement of people in high places.

Amendment, Mr. Lapointe (Quebec East) agreed to.

Motion, (Mr. Mackenzie King) as amended agreed to.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—UNDERTAKINGS IN GENERAL INTEREST AND FINANCIAL ASSISTANCE TO PROVINCES

The house resumed from Tuesday, June 11, consideration in committee of the following resolution—Mr. McLarty—Mr. Vien in the chair:

That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress out of moneys appropriated by parliament, and for such purpose to supplement the measures taken by the provinces towards providing assistance to those in need, establishing unemployed persons in employment and training and fitting suitable persons for productive occupations, and also to provide financial assistance to the provinces by way of loan, advance or guarantees out of unappropriated moneys in the consolidated revenue fund, and for the appointment of necessary officers, clerks and employees.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Chairman, I should like to draw one or two facts to the attention of the committee. On page 16 of appendix 6 of the Sirois report it is shown that up to the end of the fiscal year 1937 the amount spent on relief totalled $813,000,000. Keeping that figure in mind we must realize that at this date the moneys spent on relief in Canada must aggregate well over a billion dollars. That is a serious state of affairs. It is a sign that something is vitally wrong in our whole set-up and in the organization of the industrial and economic life of our country. The social implications of this condition will go far beyond anything that any of us understand at the present time.

When it comes to a consideration of agricultural distress, most hon. members may feel that they may look upon it in this way, "Well, all we have to do is pass a few more hundreds of millions of dollars; it is just a matter of agricultural distress." May I say to hon. members that to the farmers of western Canada who are to-day in many parts again facing the same barren fields, the passing of these moneys for agricultural distress means their very life. I should like hon. members who are interested, to read again the last sentence of a letter which is to be found on page 521 of *Hansard* of June 4. They will then realize the importance of the situation which exists in western Canada and which causes everyone the deepest concern.

We must remember that agriculture provides a livelihood for at least 4,000,000 of the people of Canada. I should like to quote some figures to be found in appendix 4 of the Sirois report dealing with national income. Table I-C to be found on page 59 gives the agricultural income of Canada in millions of dollars. The net agricultural income for 1926 was 728·2. By 1932 this had dropped to 144·5, and by 1937 it had recovered to 439·4. Table VIII-C, to be found on page 86, gives the agricultural income of Saskatchewan in millions of dollars. In 1926 the net income was 203·8; in 1932 it was —7·4, and in 1937 it had recovered to 22·7. The farm income for Manitoba, Saskatchewan and Alberta for 1928, in millions of dollars, was 435·8; in 1932 this had decreased to 14·8, and in 1937 it had increased to 155·1. Taking the figures for 1928 as 100 per cent, the income for 1932 had dropped to 3·4 per cent and had risen to 35 per cent in 1937.

The situation in Saskatchewan is much worse. In 1928 the farm income was in millions of dollars, 228·4; in 1932 it was —7·4 and in 1937, 22·7. Taking the 1928 figure as 100 per cent, by 1932 the income had dropped to —3 per cent, and by 1937 it had not recovered to 10 per cent of what it was in 1928. I should like hon. members to consider these figures. They will then see that the drop in income was so tremendous that it was absolutely impossible for the farmers in that part of the country to meet their production obligations. The payment of interest on mortgages became impossible and their very existence depended upon relief made possible largely by federal grants. The figures show that about 750,000 families in Canada have to exist on farm income.

In contrast with this situation I should like to refer to Table I-B, to be found on page 58 of the same appendix 4. This gives the investment income received by Canadian individuals. In 1926 this income, in millions of dollars, amounted to 490·3. In 1932 there was scarcely any drop at all, the income being 435·8. By 1936 it had dropped only to 429·0. As nearly as I can find out, the number of families enjoying this type of income is probably not much in excess of 50,000. It will be noted that the investment income of Canada in 1926 was two-thirds of the agricultural income; in 1932 it was three times the agricultural income, and in 1937 it

was just about equal. If we consider the income to foreign investors, these figures are still larger.

It is this lack of equality against which we wish to protest. Farmers all across Canada are in a serious financial condition. In the west they have had to face falling prices, drought, and certain rigid costs such as interest, taxes, prices of farm machinery, et cetera. It must be remembered that both capital and labour are required for agricultural production. There is no justice in a condition where capital can extract its toll and labour be left to lose everything. The result has been that in Saskatchewan and throughout the west the agricultural debt has risen to such a degree that to-day the mortgage debt on our wheat lands is almost $15 an acre. The other day an hon. member said that a farmer gets up at five o'clock in the morning to milk his cows. The hon. member for Weyburn (Mr. Douglas) said to me under his breath that many lawyers get up at ten-thirty in the morning to milk the farmers, and they make a better living out of it.

The debt situation in the west cannot be ignored by this parliament. The other morning I was in receipt of information from a reeve of a municipality in Yorkton constituency to the effect that "sixty-one foreclosures had taken place this spring against people ranging from sixty to seventy years of age. These people had been left without homes or money after having worked, in some instances, for forty-five years on the land." In the face of the suffering and privation which these people have had to endure in building up a great country, it is unthinkable that want, destitution and dispossession should be their reward in their old age.

The failure of our governments to attack this problem properly is one of the things for which Canadians must hang their heads in shame. The toll which capital is taking from western Canada is wringing everything out of these people. They are gradually sinking down to a point where they have to depend upon relief for their very existence. But these people do not want relief. They abhor and hate it. What they want is an opportunity to make a decent living. What they want is something in the way of social justice. This problem will never be solved by merely providing a few more hundreds of millions to pay relief. These people want an opportunity to live. That is their demand. They should have assurance that assistance will be forthcoming should they face distress this year. I am hoping that the minister will indicate that everything in the agreements between the provinces will be carried out to the full, that there will be no discrimination and that money will be made available to those who need it.

Professor Hope of the university of Saskatchewan has pointed out that the average cost of producing a bushel of wheat on the average farm in Saskatchewan is in the neighbourhood of 95 cents. Yet when the farmer is faced with conditions such as obtained in 1932, he must pay for everything that he uses, he must go into debt for the commodities that he needs. He may be owing money; and after he has put everything into his farm during the season, in the fall if he gets nothing in return, why should not capital also take its loss that year? There should be no interest in those years when there is no production from the farm. Capital should be compelled to take its loss when the labour invested in the farm brings no return, and the farmer should not be penalized by having interest charges piled upon his old debt until finally it becomes insurmountable.

The destruction of homes in that area is a serious social problem. If hon. members will look at the Saskatchewan statistics they will find that the young people have not an opportunity to make homes for themselves. The marriage rate in Saskatchewan is 25 per cent lower than for the rest of the dominion taken together. It is equalled only, I believe, by Prince Edward Island. It is a serious situation. The farmers in Saskatchewan are faced with an almost impossible task, and that they are carrying on at all shows the stuff they are made of. It is a sign that these men, many of whom went overseas and fought in the last war and had the spirit to pioneer out in the west, are not going to give up. They are going to fight through in spite of everything which seems to throw discouragement in their way. These people are not going to be driven into a state of pauperized peasantry because I know they will not be driven down. They have a just appeal to make, and they are going to continue to make it. They are not going to be driven down to the point where they will crawl on their hands and knees for a crust of bread. The young people in that land leave our high schools where they have learned that Canada is the northern half of the great north American continent, that Canada is a great country of immense wealth from Cape Breton to Nootka sound. We have vast resources in fish, forests, lumber production, minerals and the high ability of the Canadian people to produce generally. Yet they find when they leave school that they are denied the right to a decent living. Thousands of children on those prairies

seldom see apples. They have learned that apples are allowed to rot under the trees in the orchards in the east and the west. When these things can happen, something is evidently wrong with the organization of affairs in Canada. Something prevents people from earning a living, prevents them from even obtaining the necessities of life —food, clothing and shelter, and as somebody said the other day, the opportunity to work. Work is what they want; they do not wish to go on relief.

Speaking for this group, we believe that health and homes are far more important than the reward for capital. We believe that the foundation of any nation is the home. Where there are good homes and the people have an opportunity to work, make a living and get some reward for their labour, there is the foundation for a decent nation.

When that foundation is destroyed, the nation is going to rot. Food, clothing and shelter exist in abundance in Canada. We are a country of only eleven millions of people, and our people are entitled to food, clothing, shelter and the opportunity to work. That is their heritage, and when it is denied them something is wrong. I should like to see the standard by which any Canadian government will be judged become the standard of the homes in Canada.

One of the things which must cause real Canadians to hang their heads in shame is the fact that their unemployed single men and unemployed single women are not properly provided for under this legislation. It seems to me that there is too much difficulty in the matter of administration as between the federal and provincial governments. The federal government makes grants, but then says: "We cannot do anything about the spending of this money because its administration is not in our hands." When you want the minimum standard of education raised in Canada, you find that this is a matter of provincial jurisdiction. When you want a minimum standard of health across Canada, there again you find that there must be no interference with provincial jurisdiction. If there is this difficulty over respective jurisdictions it is the duty of parliament to overcome the difficulty and to see to it that minimum standards are set for all the people of Canada with regard to their health, their homes and their education. We need such standards so that administrations could be properly judged by them. That would mean a great step forward.

I should like to give the committee a few figures which I obtained from *Financial Post* surveys of corporate securities and of mines for 1939-1940. They show:

[Mr. Castleden.]

Combined profits (available for dividends) of:
Consolidated Mining and Smelting;
Granby Consolidated Mining and Smelting;
International Nickel;
Noranda.

1929	$35,163,939
1937	74,180,903
1939	58,095,480

1937 as percentage of 1929: about 212 per cent.
1939 as percentage of 1929: about 166 per cent.

Then this same group, plus Falconbridge Nickel and Hudson Bay Mining and Smelting, shows combined profits as follows:

1937	$83,143,051
1939	65,354,398

The two latter companies were not operating in 1929. The combined profits of the two groups above, including Falconbridge and Hudson Bay, were:

1929	$38,826,414
1937	87,896,095
1939, probably about	67,520,000

That is, the profits of the leading base metal companies in Canada in 1929 were about $39,000,000; in 1937, about $88,000,000, or about two and a quarter times as large as in 1929; and in 1939, about $67,500,00, or about one and three quarter times as large as in 1929.

The main point I want to bring out is the inequality which exists. Contrast these profits with the fact that the farmers of western Canada cannot get any return for their capital invested, can scarcely get their cost of production. In 1932, for instance the total agricultural income in Saskatchewan did not cover the cost of operating, let alone interest; but in these other natural resources of Canada, which belong to the people of Canada, we find Consolidated Mining and Smelting showing a return on shareholders' investment (capital and surplus) of over 21 per cent, and other companies as follows:

Falconbridge Nickel, 1937, over 14 per cent; 1939 profit was about 37 per cent higher.

Hudson Bay Mining and Smelting, 1937, over 20 per cent; 1939 profit was about 30 per cent lower.

International Nickel, 1939, almost 17 per cent.

Noranda, 1937, over 37 per cent; 1939 profit was about 20 per cent higher.

Take other industries, Canadian Industries Limited, for example. The return on shareholders' investment was as follows:

1929	$4,789,291
1937	5,721,862
1939	6,232,143

Here they are with profits of 16 per cent on the shareholders' investment! It is this inequality to which we object. We in this group maintain that the natural resources of this country belong to the Canadian people, and that neither this parliament nor any other group has the right to pass them over to the

control of those whose only interest is to make profits for themselves, while thousands of our people are in need and we have to spend a billion dollars in maintenance relief. The worst feature of the whole business is that we are condemning youth to a helpless and hopeless future.

A problem which must be evident to everyone who thinks about conditions in Canada is the effect of the technological advances which are being made in industrial production, for instance, as we heard the other night, in the mining industry. The way things are going, increasing numbers of labouring people on the whole north American continent find themselves no longer required. At this time a statesmanlike administration would take steps to deal with this situation, which if it continues, can lead only to deterioration and chaos. It is now time to lay our plans. We have in Canada everything necessary to a great nation. We have the resources, the machinery of production, the people willing to work, the educational institutions necessary to train them; on the other hand great masses of people are going without adequate food, clothing and shelter. The issue is one which each of us will have to meet; for every hon. member is responsible in some degree for the way in which he faces this problem. We need a plan, and we need it now. Why can we not get together? Why cannot these unemployed people, shareholders in the natural resources of Canada, be put to work on the development of those resources? A proper attack on this problem would be one of the most effective means of restoring the morale of our people. I cannot understand why, nine months after the declaration of war, there are so many unemployed in this country. By tackling this problem properly, we should obtain the goods and services which we need so much at the present time, and open the way to a state of social security afterwards, of which every Canadian could be justly proud.

Mr. H. R. FLEMING (Humboldt): Before this resolution in the name of the Minister of Labour (Mr. McLarty) is finally disposed of, I wish to say a few words about it. During the years I have represented the constituency of Humboldt in parliament I have endeavoured at all times to take an impartial stand. I have not been one of those who follow their party whether it is right or whether it is wrong. I have tried to look in an impartial way at the questions which have arisen from time to time. No one can accuse me of having been in any way partisan during the years that I have been here; I have always reserved the right of criticism and have voted as my conscience has directed me.

This is a war parliament. Some of the issues before us to-day seem trifling by contrast with the tremendous issues and problems which have to be faced and solved if western civilization is to be saved. When we see in a short period of time nation after nation crushed and bleeding at the feet of the Teuton conqueror, one finds it difficult to debate at any length this matter of relief. The last few months have brought us all, business man, professional man and farmer, to a realization of the fact that we have public, private and international responsibilities. I am sure that there are few hon. members who have not given serious thought to this problem of unemployment.

The resolution which is now under discussion has been termed in this chamber—it is a trite expression—the hardy perennial of parliament. Relief is taken too much for granted; the relief vote is regarded as a hand-out, a donation by the federal government to the provincial government and by the provincial government to the various municipalities, for distribution to the unemployed. Even the war has not cured unemployment. At a time when every ounce of our energy should be harnessed to the purpose of winning the war, we find much poverty, distress and misery, men begging on the streets, men begging at our doors. A few days before I left my home in Saskatchewan a young man came to me in desperation, looking for some kind of employment. In discussing his case I asked him if he had tried to enlist. He said, yes, he had walked the streets of Regina for days, begging for food, while he waited to see some officer to find out if he could get into the armed forces of this country. Finally he was forced to come back, and he thought he would come and discuss his case with me, his representative in parliament, and ask me if I would try to find some way whereby he could get into the fighting forces. I was forced to tell him that if I, as a member of parliament, did even so much as write a letter recommending him for acceptance in the army, immediately he would be discriminated against. It seems to me that we are here confronted with one of the crying shames of the day. Nothing destroys the morale of our people so much as to go on relief; and when a young man is told that he is not fit to die for his country, he cannot be blamed for being disillusioned, dispirited and desperate.

Once people get on relief it is difficult to get most of them off. In some instances I

cannot blame them. The man who takes a job which returns him a little above the relief issue or allowance finds it very difficult to get back again on the relief rolls. For many of those on relief the only recourse is to loaf around in idleness. What our people want—and I speak for the constituency of Humboldt, and, I am sure, the whole province of Saskatchewan—is work, not hand-outs from any government. There should be some incentive for people to get off relief. After a period of almost ten years we should have worked out some system which would make men anxious to get off relief, for relief does not solve our unemployment problem. Some otherwise intelligent industrialists and politicians regard relief, I believe, as the cheapest way of maintaining the social system without revolution and civil war; that is about all that it has prevented. Nothing can cost us more in the long run than the debilitation of our people. So the present arrangement is not cheap, no matter which way one looks at it. I am afraid we have simply taken the easiest way out.

What is wrong? I know that there are one thousand and one people with a thousand and one ideas. But is it not time that some honest attempt was made to find out? I often ask myself the question, is the system antiquated? Would planned economy, as our Cooperative Commonwealth Federation friends preach, solve the problem? Would a new monetary system, such as the New Democracy group propound, solve it? Would shorter hours of labour solve it, as is sometimes suggested? It is objected that the result would be to reduce the general wage scale. But if there were a minimum wage and a universal shortening of hours, the increase in the cost to the employer would simply be added, if there were an increase in cost, to the price of goods. At least we should do something to stop this alarmingly increasing process, whereby the rich get richer and the poor get poorer and there are more of them.

I have no faith in panaceas, but our present relief policy is just the same as giving aspirin to some person suffering from toothache or giving morphine to cure cancer. Someone may say that even if we could solve unemployment for the employables, we would always have the unemployables. When I see the halt, the maimed and the blind, men born without arms, men who have lost their legs, finding useful things to do with the faculties left them; when I have seen right in this house the late Hon. Charles Murphy, whose voice graced these halls of parliament so often, himself a cripple, rising to a very high position—when I have seen all this I have wondered whether there is such a thing as an unemployable. I know, Mr. Chairman, that there are certain persons who are definitely incapacitated for work, but there is more than one remedy for that. We have appointed commissions; we have made surveys; we have talked a good deal about this question; but the simple truth of the matter is that we have made no sincere or honest attempt to find a solution.

We fought the last war to make the world safe for democracy, but we forgot afterwards that the natural adjunct of political democracy was at least a semblance of economic democracy. Now that is neither socialism nor communism; it is indeed at the very opposite pole, for it presupposes more and more people with ownership. If the people own 75 per cent of the land or the wealth of the country, the real power will remain in the hands of the people; but now we have political power in the hands of the majority and economic or real power—and how powerful it is—in the hands of from 2 to 5 per cent.

The Right Reverend Monsignor John Ryan made a summary of the findings of the great councils of the Catholic, Jewish and Protestant denominations on the question of property. In the book, *The Christian Doctrine of Property,* he says:

> In a political democracy it is not at all certain that an industrial autocracy can or ought to survive permanently. The best interest of the wage earning classes and of society generally seems to demands that wage-earners should be something more than wage-earners. They ought to have some share in, and responsibility for, the operation and the ownership of industry. Only in such a social organization can the more extreme dangers of class conflict be removed, and the working classes obtain opportunity for the full development of all their faculties. Hence we find the social reconstruction programmes of the Catholic bishops and of the Federal Council of the Churches of Christ in America advocating labour participation in industrial management. The first of these documents goes further and declares that the majority of workers should become owners, at least in part, of the instruments of production through cooperative enterprise and copartnership arrangements. Other church programmes call for workers sharing in the surplus profits of industry.

So far in the war period the government has taken certain commendable steps such as restriction of profiteering and the excess profits tax, seeking to prevent abnormal increases in the cost of living, and measures for the rehabilitation period. Yet in the light of what the institutions of religion have said, I wonder if we have really started a programme of economic adjustment.

What applies to the wage-earner applies equally to the primary producer. Agriculture is probably at its lowest ebb in Canada. During

peace time we spent large sums of money to overcome drought and rust, grasshopper and soil drifting, and many other agrarian problems. Now we have had a good crop and a war economy, and the people are in a worse plight than ever. The Minister of Agriculture (Mr. Gardiner), with a seat from the province of Saskatchewan, with all his ability has endeavoured to do his best, but along with other departments his estimates have been cut to the bone. A great many people do not seem to realize that the things which the Minister of Agriculture was trying to do were based on a long range policy. I do not believe that the Department of Agriculture in this period of the war should have had its estimates cut. If the manufacturer does not make a profit he stops producing, but if the farmer stops producing he starves. England spends tremendous sums to protect her youth from air raids. But what have we seen in Saskatchewan? We have heard it discussed here. I know of many children in certain parts of my constituency who have not had shoes and so have been unable to go to school. Yet our government has done nothing about the matter. In Nova Scotia farmers have been encouraged to produce more through the university of St. Francis Xavier. Great Britain has launched a great farm programme. In western Canada many of our farmers do not know where their next meal will come from. With all the devastation in Europe, undoubtedly the time will come when there will be a shortage of food, when wheat will be in demand. The government should sustain the wheat farmer until that time arrives. Wheat is just as much an essential instrument of war as munitions. Let us protect that great wheat industry of western Canada.

In my opinion the government should take over the entire wheat industry. Why should the elevators, the storage people, be getting huge profits for storing wheat at a time like this? Sometimes I think everybody connected with wheat gets a profit out of it except the farmer, the man who grows it. It is time for us to wake up and to speed up agriculture generally. If the farmer is to produce now to ensure us against the lean years ahead, he must have some assurance that the years of his production will not be lean. If the government were to take over the wheat industry, with the growers on a subsidized basis similar to the wheat board arrangement as the only private ownership, then I think they would find an answer to the inequality in the price of farm implements, gasoline and finished goods to the price the primary producer gets for his products.

Somewhere, somehow, an answer to the problem must be found. We cannot expect people to lift up their eyes to the hills when they are down in the mouth. The last war meant an entirely new economic and social epoch. The same thing is certainly going to be true of this war. The average man is beginning to see that he has a right to participate in the economic benefits which were made possible, not by one man or one age, but are due to cooperative progress through the centuries. Present-day industry could not move if primitive man had not invented the wheel. The average man is more and more coming to demand that right, and we as a government have the responsibility of seeing that his demand is satisfied.

As the representative of the constituency of Humboldt I speak for the needs of my constituents. As a representative of western Canada I cry out against the years of intolerable hardship, which are inexcusable when we take the broad view of our fertility and resources. As a member of this house I deplore that our only answer to one of the most perplexing problems that this house has to solve is the dole. In the election recently held, the people did not vote for the government because they were satisfied with its fiscal policy or its wheat policy or its relief policy. They voted for the present administration because it included two men who they believed could save this country from disaster, the right hon. the Prime Minister (Mr. Mackenzie King) and the right hon. the Minister of Justice (Mr. Lapointe).

I do not pretend to know all the answers to this question of poverty amidst plenty, or idle resources and idle men when we so badly need to be using both. But I do know that if we are intelligent men, or leaders of men, we should be trying to find a workable method.

The nazis are putting to work in the international sphere what seems to have been the principle too long followed in the economic field, namely, the will to more and more power. Nietzsche, the German philosopher, says in "Beyond the Good and Evil":

> Life itself is essentially appropriation, injury, conquest of the strange and weak, suppression, severity, obtrusion of its own form, incorporation, and at the least, putting it mildest, exploitation.

Against him I quote Edmund Burke, the English statesman:

> When bad men combine, the good must associate else they will fall, one by one, an unpitied sacrifice, in a contemptible struggle.

Let us work so unitedly at the task of winning this war, and be so convinced of the justice of our cause, that the thought of losing will never enter our minds. Let us eradicate the words, "complacency" and "defeatism" from our vocabulary. The

seriousness of the present situation demands people who can make quick decisions, and calls for all our organizational ability. It demands the very life-blood of our nation, flowing in a steady stream towards the single purpose of victory. But at the same time let us never forget that if we look to the welfare of our people, we have taken the longest step towards reaching the welfare of the state. Domestically and internationally there is one great struggle between the ruthless philosophy of men like Nietzsche, which the nazis personify, and the Christian golden rule. While we fight for Christian principles abroad, we must be careful to preserve them at home.

In this sense I cannot let this motion go by without saying that we as members of this House of Commons should not pass this as a hardy perennial, but should try to work out some method that will get our people off the dole.

Mr. G. K. FRASER (Peterborough West): I understand that the Minister of Labour (Mr. McLarty) intends to continue with the youth training programme. I am very much in favour of this programme, but I honestly believe that if he intends to carry it on for another year, there should be some changes in it. In the report under the Unemployment and Agricultural Assistance Act of 1939, table 2, showing the work done under the national forestry programme, it mentions roads built; trails cut; telephone lines built; pulpwood, pit props, fuel wood and telephone poles cut; and then at the bottom it says, "tree planting, fifty-three acres." Now fifty-three acres for the whole of Canada seems a very small amount. In fact fifty-three thousand acres would still be a small amount. At the bottom of the same page it mentions game conservation and fish hatcheries. If we are cutting the trees like that and planting so few, we are not going to have game or fish, because the game need woodlands for homes and the fish in our rivers and lakes have to have forests because the young fish when hatched are fed from what comes off the soil throughout the year and without it they will die. If the forests are being cut as they are—and from that I take it that those men are trained not to save trees but to slash them—that should be changed. If trees are being cut like that, there will be none left for our children and our grandchildren. I notice the appropriation for the tourist bureau is increased to $500,000. If we are cutting trees and not replacing them, we are not going to have the tourists; they will go elsewhere.

I hope the Minister of Labour will increase the planting of trees, and I should like him to start it in the county I represent. We have sections there which are not fit for farming; there are men on them trying to make a living but they cannot. Those areas should be planted out to trees; this would also give work to the unemployed.

The subject of conservation and preservation of forests was talked of when the French pioneers were here over two hundred years ago, but nothing has really been done. Some of the provinces are doing a little, but not enough. We need young men skilled in forestry work. The Canadian Forestry association published a statement early this year, and there is one little part I should like to read. Referring to forest research, it says:

> . . . It is complained that official efforts in this direction are at present entirely inadequate and that sufficient provision is not made for the training of specialists and furnishing them with improved facilities for carrying on their useful functions. The importance of schools of forestry and "ranger schools" for the benefit of skilled assistants is stressed.

Other countries have compulsory replanting of trees; in Denmark, Germany, Norway, if you cut one tree down you have to replace it with two or three. Canada must wake up.

On page 21 of the report to which I previously referred, it says:

> Those eligible to participate were unemployed young men, aged eighteen to twenty-five, with preference given to those in necessitous circumstances. As in the youth training agreements, they were selected without discrimination or favour on account of race, religion or politics.

In the province in which I live, all road work is done by men who belong to the right party, or the right side of politics. I am not on that side at present. Conservatives and members of the Cooperative Commonwealth Federation have not a chance.

Mr. MacNICOL: You are on the right side of politics.

Mr. FRASER (Peterborough West): Yes, but I could not get a road job there; that is sure. One has to have a ticket to get a job.

Last week hon. members to my left and again to-night the hon. member for Humboldt (Mr. Fleming) mentioned that there were children without enough clothes and shoes, and it was said that the government was not doing anything about the matter. When last year Their Majesties the King and Queen came to Canada, I was informed that there were three children in one section who did not have any shoes and, in fact, had gone practically all winter without them. We had to supply them with shoes so that they could travel the 150 miles to Toronto to see the king and queen.

There are families not far from me living five, seven or eight in one house—I call it

a house, but that is not the proper name for it. They are living in these eight by ten houses, and their supplies consist of a stove, a table, and straw on the floor to serve as beds. Those people do not live; they just exist. I believe that condition exists because Canada ships most of its raw materials to other countries to be made into finished products, so that those finished products may in turn be sent back here to be sold back to us. In that way we do our men and women out of jobs which rightfully belong to them. The people I mentioned before, namely those without proper clothing, depend on the gifts they receive during the summer months from the tourists. They receive gifts of clothing and shoes which have to do them throughout the winter, and what they receive from the tourists is practically all they have during the whole year, except on those rare occasions when the husband may get a job cutting wood, receiving wages that are unbelievably low. Those people cannot call doctors because they would be charged $25 or $45 for the visit. Red Cross nurses have to do the work; in fact, those same nurses in most instances have to prepare the dead for burial, and I say they deserve a great deal more credit than they receive.

In this matter of relief may I say I honestly believe the government is working backwards. In my opinion the Minister of Labour (Mr. McLarty) should get in touch with the Minister of Agriculture (Mr. Gardiner), so that the two of them could work together. So far as the farmers are concerned, we ought to realize that our trade agreements are causing a great deal of hardship. Strawberries are coming into Canada to-day practically duty free; in fact, I believe at this time the duty has been altogether removed. Potatoes are entering Canada duty free, and will continue to do so until June 15. That is the condition which exists at a time when our farmers have potatoes they cannot sell because of the duty free potatoes entering our markets. Our farmers are left holding the bag. Tomatoes being shipped into Canada are ruining our hothouse tomato business. Those tomatoes received from Mexico are in many instances affected with worms.

Assistance is being given the farmers after the government has taken away the market which those farmers used to have, and should have to-day. The Minister of Labour should work hand-in-glove with the Minister of Agriculture, and if that were done, this farmers' assistance measure would not be quite so necessary. In the county I represent more than 80 per cent of the farms are mortgaged, and I doubt if any of the farmers will be able to pay their interest, let alone pay back any of the principal sums. Present conditions are a burden the farmers will never overcome. If the government were alive to present-day conditions, and made trade agreements favourable to the working men and the farmers in Canada, we would not need an Unemployment and Agricultural Assistance Act at all.

To-day motor cars which used to be made in Canada are made in the United States and shipped to Canada for sale. Canadian workmen, Canadian women and Canadian farmers are on relief in the midst of plenty. Importation of motor cars built in the United States is putting many thousands of men out of work. Then, magazines are entering Canada duty free and, as has been mentioned before in the house, many of them should not come in at all. Not only do they enter duty free, but the Post Office Department is being deprived of a great deal of revenue.

I should like to have it understood that I am very much in favour of this measure, in view of conditions to-day. We must have it this year; but I feel the Minister of Labour should prepare for the post-war period. In fact all the ministers in the government should pull together for the good of the Canadian people. They should absolutely forget politics because, if we are to succeed, we must do that. Boost Canada; put Canada over the top. We have the raw materials; we have the men and women. We are going to win the war, anyhow; that is quite sure. We have to win it, if we are to live. But we have to work right here, in our own country.

As has been said by hon. members to my left, men on relief do not want to be on relief. They want to do an honest day's work and receive an honest day's pay. The farmer is in the same position. He wants a decent price for his goods and a market in which to sell them. He has not that market to-day.

Mr. H. R. JACKMAN (Rosedale): Mr. Chairman, in rising to speak to the resolution of the Minister of Labour (Mr. McLarty), I welcome the privilege of making certain suggestions for the consideration of the committee. Coming from a riding in the city of Toronto, where no less than 10,000 people out of a total of 62,000 are forced even at this time to accept relief, I realize that the problem of assistance is a vital one. The need for establishing unemployed persons in employment, and training and fitting suitable persons for productive occupations is one the acuteness of which is forced upon me, as it is upon every hon. member of this committee.

Many of the people in the constituency of Rosedale who are seeking employment are members of the building trades—bricklayers,

plumbers, plasterers, carpenters, decorators, et cetera. For what little help this government has given in stimulating the building industry we are duly thankful. Mere financial assistance in the building or remodeling of homes, however, is not of itself sufficient. Before a solution to the problem is found, it is necessary once again to make home owning profitable. The burden of municipal taxation on real estate is oppressive beyond all measure. That great back-bone of a stable society, the home-owning citizen, is disappearing from our midst in increasing numbers. What necessary and exclusive connection there is between the burden of education, relief and health, and home-owning is something which no one has as yet explained. On the contrary, all agree that the costs of these social services should not be assessed against real estate alone, but should be more fairly apportioned by distributing the burden over other forms of wealth. Other tax-gathering bodies besides the municipalities should bear a larger share of the burden, and it is hoped that the implementation of the provisions of the dominion-provincial relations report will soon remove some of the crushing burden under which real estate is now staggering.

It must be obvious to all hon. members that the value of any form of property can be taxed out of existence. The situation in connection with real estate in Toronto is simply that of a man who attempts to carry a hundred pound burden in one hand, whereas if he distributed it between both hands he would find the going much easier. The greatest stimulus to employment in Toronto would result from a relief from some of the burdens of taxation to which home-owning is now subject.

The second greatest need is for some active form of youth training and work. There are hundreds of young men and women between sixteen and twenty-five years of age in Rosedale riding who have never had a steady job in their lives. How long can a young man or young woman be expected to try day after day and meet with the never changing answer, "no help needed to-day." And the morrow and each succeeding day becomes "to-day" and still no work.

I wish I had the privilege of taking members of the government into some of the homes I have visited where families are putting up a brave fight against privation and frustration, foes which seem relentless and never-ending and about which surely more can be done. For what the government has done in the way of a youth training plan we are again appreciative. But in the treatment of the youth problem the government is only trifling or, at the best, experimenting. To appropriate after several years of trial the sum of $1,500,000 a year for three years is like asking for a loaf and being handed a stone. Compare it with the appropriation during the same year of some $12,000,000 to further the work on a railroad station on which some $18,000,000 has already been spent. I trust that this does not indicate the relative importance which this government attaches to national youth training as compared with a railroad station.

At another time I hope to say more on the subject of youth training, but at this time the one subject which is of vital concern to every member in this house is the war. As a humble member of His Majesty's Loyal Opposition there is, in offering criticism or suggestion to the government, no thought in my mind other than that of helping the war effort. The problem of unemployment and youth should, in the dire circumstances in which this country now finds itself, for the time being largely disappear. The crying need for the production of war supplies and equipment causes to arise now, or will cause to arise shortly, a new problem in connection with our people. The translation of our potential war strength into actual war strength is the task of this country. We are so far behind the enemy in this regard that we must redouble our effort if we are to preserve all that every Canadian holds sacred and worth while.

According to the estimates of the Foreign Policy Association of the United States, Germany spent even in 1938 a total of $4,400,000,000 upon armaments. We are spending some $700,000,000 or $800,000,000 this year while we are actually at war. Between 1935 and 1939 the total industrial production in Germany gained 50 per cent. We must work night and day if we are to save ourselves. Let any thought of winning the war on a budget be forgotten. We must submit to taxation unheard of before. The great majority of the population—and I except only those whose standard is already too low—must be willing to experience a lower standard of living for the sake of keeping our country free from foreign domination. We may be thankful that in some commodities we already produce far more than we require.

Industry is already finding a scarcity of skilled workers. As time goes on—we can only pray that the time will be allowed to us—there will be an increasing shortage of semi-skilled and unskilled labour. In Great Britain, despite the thirty odd years in which their labour exchanges have been gathering records, a census of labour in war industries

has been ordered. The present haphazard search for skilled workers by individual firms on war work reveals the need for machinery to find and place the men and women needed. We are virtually without records in Canada.

I know of no way in which we can approach the problem intelligently except through national registration. To wait for a census would be much too long. Furthermore, a census, both by law and by function, is a statistical device and not suitable for the present purpose. In the first place national registration would afford a check on those likely to be suspected of subversive activities. For the present I am more concerned with the second object of national registration, namely, that of finding out where and what degree of skill is available to our industries in putting forth their utmost war effort. We must find out who and where are our fully trained industrial workers, who are semi-skilled, who have had some factory experience and who can usefully be brought into factories from the outside. In Great Britain there is what is called a list of reserved occupations, the workers in which are held to be of more use in war production than in serving with the forces. Already there have been many instances of highly skilled toolmakers and machinists enlisting who might better serve their country minding their lathes if only their country would tell them so. Already there has been a certain amount of "stealing" of skilled workers from competitors in the shipbuilding industry by offering higher wages. While beneficial to the individual's pocketbook, frequent changing is detrimental to the war effort. The wastage due to misplacement of labour and intermittent unemployment is as crucial in war as it is lamentable in peace.

Plans should be immediately formulated to extend the application of the youth training plan, as well as adult training plans, so that our war effort will not find itself delayed in another month. The improvement and the greater complexity of machines to-day alter, to some extent, the position that even we found ourselves in, industrially, in the last war. Definite courses of instruction and learning periods cannot be dispensed with. In Germany, according to the London *Economist,* four weeks' training is given to all unskilled recruits to the metal trades, almost wholly in actual work and on machines being used in production. Their slogan is, "We must abolish the unskilled worker", and it should not be hard for Canadian industry to follow suit on an extensive scale. It needs only government leadership and assistance.

It is possible to provide deliberate short-period training for a great force of machine operators. It is one thing to turn out a semi-skilled craftsman and another to turn out a semi-skilled machine operator. The latter can be accomplished in a relatively short period.

In the United States, in connection with their national defence effort, they have formulated plans for training present workers for better jobs, pushing each grade up, filling in at the bottom with semi-skilled trained recruits. Industry is cooperating in this scheme. Part of their plan consists in the training of men over forty who have had skilled training but have been working in other occupations or have been on relief. The government is aiding in finding out where these men are, and the cooperation and aid of the labour associations are being enlisted.

The first thing in order to put forth our full war effort industrially and make of Canada, as the Prime Minister (Mr. Mackenzie King) stated last September, the "arsenal of the empire", is training for our workers and multiplication of the lower grades of workers by intensive mass instruction, and to bring in a regiment of women and other workers from non-essential trades. The second thing in the planning of this much needed task is a proper distribution of the workers in the proper industries.

May I assure the hon. minister that he will be killing two birds with one stone if he will develop the plans for unemployment assistance and youth training by harnessing or coordinating them with the industrial war effort now going forward. By so doing he will not only help keep Canada for Canadians, but will at the same time make Canada a better place in which to live.

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Chairman, I have already had an opportunity of speaking for a few moments to this resolution, but a little while ago I sent to several people in my constituency an appeal asking them if they would give me a comprehensive word picture of their own particular district so that I might give this house a clear indication of the need for federal aid in northern Saskatchewan. Among those to whom I wrote were one or two school teachers, because a school teacher is often able to give a comprehensive viewpoint of the whole school district, and in that way the whole of the district may be fairly judged. One or two of the school teachers have already sent in reports to me. I have one here from a teacher whom I have known for several years. He is a man whom I have every reason to believe would be very conservative in his estimates and for whom I have the greatest respect. I believe that he would give us the best picture he could of his own school district.

This is not an isolated instance, and I want to give it to the committee this evening because it is a picture of one school district in northern Saskatchewan which I believe some of the other members from northern Saskatchewan will be able to say is really one which might be found all over that northern district, particularly where we have people living on the reestablishment scheme. I will read it exactly as it came to me:

A Northern Saskatchewan School District

The district.

The soil is poor, the land uneven. Most of the farms are very stony. This is the picture after the trees have been grubbed out and roots picked. The total assessment is less than $40,000 and it is very possible that $15,000 in cash would buy all the land together with the improvements which are not assessed. There are approximately 500 acres under cultivation in the whole district.

The school.

Built of logs, with walls smoothed with thick coating of mud. A gasoline drum for a stove. Several home-made desks. No desk work for the children; a library of half a dozen books, a blackboard of beaverboard painted over; a bell; a small hand globe completed the equipment.

Log. Rough board floors. Insufficient dishes, cooking utensils and bed coverings.

Finances.

They owe for the doors, the windows, the shingles, the purchased desks. They owe two previous teachers, and the present teacher, in eleven months, has received in cash at the rate of $17 per month.

The parents.

Of the 22 parents in the 11 families of children attending school, 16 are reported as needing medical attention. Such statements as "Father is sick all the time but has to keep on working" or "Mother is often sick in bed and the rest of the time does not feel very well" were common. When they near death's door they will be sent to hospital, where they will either die or recover to some extent and be sent home, where they will find they are seriously behind with their work. One woman complained of headaches and was sent to have her eyes examined by the relief officer. The report was to the effect that she needed glasses. The government paid for the examination but the relief officer decided that they must pay their way to another eye specialist some one hundred miles away in order to make sure that glasses were needed. The woman has not gone, partly because these people are poor and also because there is no assurance that the report of the second examination will be acted upon. She has suffered for nearly two years since the first examination.

The families.

Seven of these families are under reestablishment, which means they do not own their land, live stock or meagre equipment. The seven families have altogether 19 horses, 4 colts, 34 cows, 32 other cattle including spring calves, 7 sows and a few young pigs and 191 poultry.

[Mrs. Nielsen.]

The other four families are not under reestablishment. They have altogether 15 horses, 5 colts, 18 cows, 16 calves and young cattle, 3 sows and a few young pigs and 130 poultry.

These eleven families consist of 92 persons and this year they will have a total acreage, in crop, of approximately 240 acres. A very large portion of this, probably about 50 per cent, will have to be reserved, if crops are average, for oats for horses and feed for milch cows, pigs and chickens. We have, therefore, 92 persons attempting to make their living from 125 to 150 acres, with grain prices what they are! All these families have been on relief although some have gone on as recently as last winter. Last winter relief averaged about $8 per family. For the month of May this amount was cut in two—

An hon. MEMBER: Is that per month?

Mrs. NIELSEN: That means they will get $4 per family per month. It goes on:

—and indications are that they may not get any more relief.

The children.

(a) Their health. Not being a medical man I can only give an estimate that very possibly all of the children need medical attention to some extent, and several look as though their future health will be sadly impaired unless they get this attention in the near future. When I took over the school, breakings out of the skin were so common that it seemed unfair to keep the children at home. The school has been in operation for six years. No government school nurse has ever called. The only medical care the children receive is when fear of imminent death makes an emergency case for hospital. Twenty per cent of the children are out of school and on the sick list to-day. One boy of seven years stayed out of school because he was kicked in the stomach by a calf. He does not want to eat and was even a bit delirious one night. We all think that it is "nothing" and expect he will be all right. If he gets much worse he will be one of those emergency cases. Another boy, out of school, accidently hurt his nose. His face started to swell. Pus condition developed. The boy became delirious and in very severe pain. The relief officer and the councillor could not or would not do anything. Finally the father in desperation sold his seed wheat and took the boy to hospital. The diagnosis was a broken nose. The child later developed pneumonia. These two cases are still living to-day.

(b) School lunches. Five families seem to have as a general rule a lunch of some plain and scanty variety. Six families have very poor lunches as the general rule. It is all a matter of degree. To-day three families—ten children—have plain bread and butter.

And of course, as hon. members know, some of these country children walk two or three miles to school and then home again.

Sometimes, especially in winter, it is bread and cheap jam. Occasionally it may be bread and lard or even dry bread and onions. The children of one family took some little pride in the fact that they had never had straight dry bread.

(c) Clothing. In this matter we must realize that all the children get either new or fairly good secondhand clothes. There is one family whose clothes are very poor and patched, but

all seemed to take pride in the fact that they had a Sunday shirt at home. I have a girl, fifteen years old, at school to-day, wearing men's winter rubbers about two sizes too large; her sisters have patched running shoes. The boy, twelve years old, who is very intelligent, wears last winter's moccasin rubbers, with no socks, patched overall pants, with an honest but aged belt. . . . All these children need clothing and better food at once. What it will be during the coming winter, I do not know. They need help on account of the small acreages, regardless of whether there are good prices or poor prices, regardless of whether they have good crops or poor crops.

That, I think, Mr. Chairman, is a just and very conservative summary of the situation in the majority of the school districts in northern Saskatchewan.

Mr. GOLDING: I would ask the hon. member to give us the name of the writer of that article. I believe that, under the rule, that has to be done.

Mrs. NIELSEN: I should be most pleased to do that, Mr. Chairman, but for one reason.

Mr. GOLDING: Oh, no.

Mrs. NIELSEN: In Saskatchewan, if a teacher does not always do as the school board in his district wishes him to do regarding certain matters, he risks the loss of his job. Discrimination in Saskatchewan school districts against school teachers who have to rely entirely on the local school boards for their jobs is a matter which should have some investigation. For that reason I feel that this teacher needs protection. I see no reason whatever for giving his name. I myself will accept responsibility for that statement; I think it is perfectly true.

The CHAIRMAN: What document is the hon. member reading from?

Mrs. NIELSEN: It is a private letter to me.

The CHAIRMAN: And the hon. member takes responsibility for it?

Mrs. NIELSEN: For the veracity of that statement, surely.

The CHAIRMAN: The hon. member is in order.

Mrs. NIELSEN: On May 31 last, as recorded in *Hansard*, page 421, the Minister of Labour (Mr. McLarty), when he was speaking about the bill which he intends to introduce, said this:

> There is an amendment by the elimination of what was section 3 of the act of 1939. Broadly, that section provided that the dominion itself would undertake works and projects in connection with the relief of unemployment and the promotion of employment. It was felt that owing to the wide activity that is taking place as a result of the unfortunate circumstances in which we find ourselves to-day, it would be unnecessary for this government to take measures under that particular section. But if works become of vital necessity and it is apparent that they are so, they can still be initiated by means of an estimate which would require presentation to this house.

It seems to me that, after the amount of evidence which has been given in this chamber of the need for continuation of relief, particularly in northern Saskatchewan, I may justifiably ask the Minister of Labour to consider, not bringing in an amendment of the act as it stands, but rather allowing a definite sum to be set aside for a continuation of relief in northern Saskatchewan.

Mr. McLARTY: I do not wish to interrupt the hon. member, but I know she appreciates the fact that that portion of the act respecting material aid to which the hon. member refers under the dominion-provincial agreement will be included and continued.

Mrs. NIELSEN: Thank you. These people who are living in that northern area and whose acreage to-day is not sufficient to give them a living, would be very willing to work. The building of roads and a railway through that northern area is greatly needed, but the province of Saskatchewan is unable to finance these schemes. Were the federal government to allow that province the money, the people of that northern area would be only too willing to work on the roads to supplement their scanty income and so improve this relief situation. These families are self-respecting people and, as has been stated many times, they despise and dislike the idea of having to go on relief. They would work through the summer months if only a work-and-wages programme were provided with the help of the federal government. If that could be done, it would have splendid results. But if this government will not or cannot see its way clear to help in such a project where work and wages can be given to these people, then, as the hon. member for Humboldt (Mr. Fleming) says, they must have more aspirin; in other words, they must have better relief, because they are suffering more than any decent, honest people in this country should be allowed to suffer in this day and age. They must have some consideration from this government. After all, the welfare of the people is the primary concern of this house. If we neglect them, we have no reason to pride ourselves upon being a representative body looking after the welfare of our people.

Mr. R. T. GRAHAM (Swift Current): I do not intend to discuss the resolution in its general aspects. I have, however, a concrete

suggestion which I should like to lay before the committee and particularly to draw to the attention of the Minister of Labour (Mr. McLarty).

We have noticed, in connection with the war contracts that, by the very nature of the economic set-up of Canada, the great majority are being let in the two central provinces of Ontario and Quebec. Of course, if circumstances permit and wise management recommends, I should like those contracts to be carried out in all of the provinces, but I think we shall agree that, because of the situation in those two central provinces, the industries being well-established and the plants suitably equipped for the speedy carrying out of these war contracts, those provinces will reap most of the advantages, including increase of employment, resulting from our war effort.

The reverse is unfortunately true with regard to the outlying provinces, and particularly, perhaps, Saskatchewan, the one from which I come, because there is little industrial development in that province. All the people of Canada must properly bear their share of the cost of this war effort, and I am sure that, no matter where we come from, we shall agree in wishing to spread out the advantages, if such they can be called, which result from the huge expenditures of money by this federal authority. Not only will the western provinces not reap any monetary advantages from the spending of the money; but on the contrary it will be noticed that most of the estimates for agriculture, including the Prairie Farm Rehabilitation Act and some of the other projects, are being cut down in the interests of economy, as suggested by the Minister of Finance (Mr. Ralston).

If the government is not prepared to make a registration of the industrial workers of Canada, I think it would be fair and proper, through its own labour agencies and through the employment agencies scattered throughout the whole of Canada, for the government to find out all the information it can in regard to trained skilled workers or semi-skilled workers in the western provinces. As we all know, the western plains were settled by men of many trades and occupations, and agricultural conditions have been so bad in the western provinces that these men carrying on these trades have not been able to find employment. They would meet with considerable difficulty in getting from Saskatchewan to the central provinces in order to secure employment. I would suggest that the government, and particularly the Minister of Labour, consider opening up registration offices throughout Canada, particularly in Saskatchewan, to give those men who could be of use, who are skilled or semi-skilled workers, an opportunity of registering and indicating their abilities and qualifications for employment. If their training recommended them, they could be brought to the central provinces and thus taken off the relief rolls and given a new chance in life besides an opportunity to serve their country.

[Mr. Graham.]

Mr. DOUGLAS (Weyburn): Could the Minister of Labour (Mr. McLarty) put on *Hansard* a comparison of the appropriations made to the different provinces under this legislation this year and last year? As I understood the minister the other evening, when the hon. member for Mackenzie (Mr. Nicholson) was speaking, I gathered that the grant to the provinces had not been reduced. That is in direct contradiction to what is being told the people on the prairies. I am in receipt of letters almost daily, as I am sure most members from Saskatchewan are, stating that people in receipt of relief are being told by municipal councils and by relief officers, first of all, that their relief is being cut because the federal grants have been cut. In the month of May the relief grants were cut 20 to 33 per cent. In some districts no relief has been paid at all for June, and people on relief have been told that it cannot be issued until word comes from Regina; that reductions are being made by the federal government in the grant, and that until the exact nature and extent of the reductions are available the relief orders will be late.

There must be some mistake somewhere. If there is no reduction in the relief grants to the provinces, then the people in receipt of relief should be getting the same relief orders as they were getting before. But they are not. I wonder if the minister could tell us whether there has been a reduction in the relief grants and how the amount that will be voted under this bill when it comes down will compare with the amount voted last year under the same legislation.

Mr. McLARTY: The Unemployment and Agricultural Assistance Act expired on March 31, and until this house passes the new act it is impossible for us to make specific allocation as between the various provinces. In other words, in the machinery of the thing, the provinces themselves prepare their estimates of the amount which they will require by way of material aid under the act and those estimates are gone over by the Department of Labour with the various provinces. Consequently I could not place on *Hansard* the amount of the allocation for this year, nor shall I be able to do so until the act is passed. I might be able to give the hon. member some estimate, but that would be a matter which I should have to go into.

Mr. COLDWELL: I would press the question asked by the hon. member for Weyburn. I attended a meeting of the municipal council at Biggar about the end of April and the relief inspector was present.

Mr. McLARTY: The provincial inspector?

Mr. COLDWELL: Yes. They were told that owing to the reduction in the federal grant, fifty-three municipalities in the north and east of the province of Saskatchewan were to get no assistance for the month of May and the months following, and the reason given in my hearing was that the federal grant had been cut and the province had been compelled to make that reduction. That, incidentally, was the reason why I was invited to attend the meeting of the municipal council. I happened to be there and was invited to be present because the relief inspector was there, and I was asked to say what I knew about the reduction in the federal grant.

Mr. McLARTY: I am afraid I cannot assume responsibility for statements made by employees of provincial governments. I know of no basis on which such a statement can properly be founded, but I shall endeavour to obtain information and supply it.

Mr. DOUGLAS (Weyburn): Does the minister mean that there has been no reduction in the amount allocated to the province of Saskatchewan for relief in the past three or four months?

Mr. McLARTY: No. I said we can not make a specific allocation for Saskatchewan until this act is passed. At present no act is in force, the act having expired on March 31. I can assure my hon. friend, however, that I shall go into the matter and see if we have received estimates yet from the province of Saskatchewan to see whether any action has been taken, which I doubt, because I do not see how it could be taken.

Mr. DOUGLAS (Weyburn): Some money must have been voted, some grant in aid, since the end of the fiscal year, for April and May.

Mr. McLARTY: No.

Mr. DOUGLAS (Weyburn): The federal government must be giving some money.

Mr. McLARTY: As always happens, the Unemployment and Agricultural Assistance Act, I am safe in saying, has not in the last four years been passed before the previous act has expired, and in the normal course the practice is to carry it on. I notified the provinces, anticipating that we would be reenacting this act, as we have to, that we proposed to distribute on the same basis, namely, 40-40-20 as was done in the previous year. I believe that no specific amount has been agreed on between the commissioner under the Unemployment and Agricultural Assistance Act and the province of Saskatchewan.

Mr. DOUGLAS (Weyburn): Could the minister give us the amount, or tell us whether it is the same as for January?

Mr. McLARTY: I do not think I can answer any more definitely than I have. However, I shall be glad to see if any specific amount has been agreed on with Saskatchewan, although I think it has not. As far as I know there has been no reduction in the amount, because the matter has not been dealt with at all, on account of the non-existence of the act.

Mr. POULIOT: The hon. member could find all the data for the last fiscal year ended March 31 in the report of the commissioner of unemployment or relief, Mr. Hereford. It was tabled not long ago.

Mr. DOUGLAS (Weyburn): That is not what I was asking.

Mr. POULIOT: There is a tabulation there; my friend can get some figures for the current year. The tabulation is complete; I saw it not long ago. It is at the back of the report.

Mr. DOUGLAS (Weyburn): Not for April and May.

Mr. POULIOT: Well, my hon. friend knows about it.

I want, sir, to direct the attention of the minister to a very good report made by his department four years ago under instructions of the then minister. Two men from his department visited each one of 1,200 homes in the provincial county of Témiscouata, getting data on the spot from the relief recipients themselves and from people who could confirm what they said. Of course the only conclusion on this report was to continue relief to those settlers, on account of the fact that most of them were starving on their lots. A surprising fact is that there was an agreement signed between the federal government and the government of Quebec province in virtue of which it was decided that relief was not granted to settlers simply because they were poor, but was granted only to settlers who were unemployable and in whose family there was no one who could earn money. To illustrate, there is the head of one family quoted as an example—I could give the name to the minister—who is unable

to work. He has a large family; he is sick, but he cannot receive any relief because he has a son of eighteen who is unemployed—he also is unable to work. On account of that neither the father nor the family can get any relief.

There were worse cases in previous years. At times I was corresponding with the provincial department of health. When a man was sick and had to undergo an operation, I brought the matter to the attention of the provincial department of health, asking if they would take charge of the cost of the operation, hospital expenses et cetera, and they answered, yes. But the man could not go because he had to work for his relief although he was sick. Although he had to go to the hospital to be operated on for appendicitis, rupture, anything, he could not take advantage of what was decided by the provincial department of health because both the federal Department of Labour and the provincial department of colonization were in a straitjacket; "that was the agreement," and the man, although he was sick, had to continue to work in order that his family should not starve. Those are very painful cases. If the minister gets in touch with the commissioner of relief of his department or the assistant commissioner, he will find that no member of this house has sent so much data to the Department of Labour as has the member for Témiscouata. I am in daily contact with these people and I want something done for them, something done in the name of humanity. I did not appeal in vain to the Minister of Labour when he was Postmaster General to redress some wrong; now I speak to him through the chair as man to man.

Sir, may I tell you what has been done in New York? In that city at the end of 1937 there were 210,000 unemployables on relief. Then the federal Surplus Commodities Corporation was established to supply food to the poor. They set up a marvelous system to look after the health of these people. After a year and a half the number of unemployables in that city had decreased by 55,000 just because the people were better fed and had some medical attention, and, thanks to the social and medical services, from unemployables they became employables.

It seems to me that those on relief should not be considered as units for whom a certain sum of money must be expended for their subsistence; they must be considered as human beings, as citizens of a great country and as members of our Canadian family. This must be done if only to improve their health. And it is not only for the old people that it should be done; it should be done for the children too. I have seen beautiful girls in the settlements, but girls who looked like the stem of the flower. They were underfed. I saw children who did not have milk but were fed on the juice of beans. That is not creditable. Of course they have some social services; thanks to the Rockefeller Institute there is in my constituency a health unit which looks after the settlers. But the colonization policy of the Quebec provincial government some years ago was all wrong; those people were put on rocks; just because no elevations were shown on the map they were put on the sides of mountains. There they are, and they need relief to enable them to live until they are transferred to better land. But I would ask the minister, with his sense of justice and his Christian charity, to discuss the matter from a human point of view with the other officials, and I am sure they will be only too glad to cooperate with him. At the present time what have we for the money spent on relief? Nothing. Nothing has been done.

Mr. JAQUES: Does the hon. member call life nothing?

Mr. POULIOT: But there should be something to make it pleasant, not just subsistence. I admit that relief is necessary, but that is not all. I would ask my friend to be silent and let me finish; he will have ample opportunity to speak afterwards. When he spoke to-day, I did not interrupt him.

Progess reported.

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

Friday, June 14, 1940

The house met at three o'clock.

EUROPEAN WAR

TRIBUTE OF BRITISH GOVERNMENT TO VALOUR OF FRENCH ARMIES—MESSAGE TO PREMIER OF FRANCE PLEDGING CANADA'S UNWAVERING SUPPORT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, hon. members will have read in the press of this morning the communication sent last night by Prime Minister Churchill to Premier Reynaud of France. No pledge of like import to mankind has, I believe, ever been made in the name of one people to another. Given as it is in our name as well as in the name of the other nations of the British Commonwealth, I should like to have this pledge at the earliest moment possible upon the permanent records of the Canadian parliament, with the assurance that its every word expresses the feelings, the convictions and the intentions of the Canadian people. This is the message:

In this solemn hour for the British and French nations and the cause of freedom and democracy to which they have vowed themselves, His Majesty's government desires to pay to the government of the French republic the tribute which is due to the heroic fortitude and constancy of the French armies in battle against enormous odds.

Their efforts are worthy of the most glorious traditions of France and have inflicted deep and long lasting injury upon the enemy.

Great Britain will continue to give the utmost aid in her power. We take this opportunity of proclaiming the indissoluble union of our two peoples and our two empires.

We cannot measure the various forms of tribulation which will fall upon our peoples in the near future. We are sure that the ordeal by fire will only fuse them together into one unconquerable whole.

We renew to the French republic our pledge and resolve to continue the struggle at all costs in France, in this island, upon the ocean and in the air, wherever it may lead us, using all our resources to the utmost limits and sharing together the burden of repairing the ravages of war.

We shall never turn from the conflict until France stands safe and erect in all her grandeur, until the wrong and the wronged and enslaved states and peoples have been liberated and until civilization is free from the nightmare of nazism.

That this day will dawn we are more sure than ever. It may dawn sooner than we now have the right to expect.

The prophetic vision of the complete fusion of the British and French peoples as the outcome of the ordeal of fire through which, at this time, both are passing, has already found eloquent expression in our Canadian House of Commons. At the outset of its proceedings, in the first speech made in this new parliament, the mover of the address, the hon. member for Lotbiniere (Mr. Lapointe), used the following words:

The union between the two countries has been not only material, but also intellectual and spiritual. What the outcome of this union will be after the war, it is hard to tell. Some observers have gone so far as to prophesy the union of France and England into one nation.

* * * *

Whatever changes are being made, it seems certain that from the war will emerge a new relationship between France and England which will surely have its effects in future history, and which will serve as a symbol of bonne entente for the other nations of the world. If so, I feel that we Canadians should rejoice at such an outcome and feel a legitimate pride in that we have already realized such a union.

Hon. members will recall how warmly these sentiments were received in all parts of this house.

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Canada's determination to stand, to the very end, at the side of France, no less than at the side of Britain, has since the war commenced been voiced in the name of the Canadian people by his majesty's representative in Canada in speeches delivered from the throne in three successive sessions of parliament.

Many tributes to the heroic fortitude and constancy of the French arms have been paid in all parts of the United States as well as throughout Canada. Through her president, the United States has already pledged the material resources of that nation to the opponents of force.

If I know the heart of the American people as I believe I do, and as I am certain I know the heart of the Canadian people, I believe I can say to Premier Reynaud, in this hour of the agony of France, that the resources of the whole of the north American continent will be thrown into the struggle for liberty at the side of the European democracies ere this continent will see democracy itself trodden under the iron heel of nazism.

In this belief which I am sure is shared by all hon. members of both houses, after reading Mr. Churchill's communication to M. Reynaud, I sent to-day to the Premier of France the following message, which I would now like to renew in the name of parliament:

June 14, 1940.

Monsieur Paul Reynaud,
President of the Council of the
French Republic,
France.

The Canadian people have heard with deep emotion your brave words as you have spoken from day to day. We have watched with the pride of kinsmen the gallant deeds of your unconquerable soldiers. Every word in the tribute paid yesterday in the message by the government of the United Kingdom to the government of the French republic eloquently expresses also the passion and faith in the hearts of our people. Canada pledges to France as she has to Britain her unwavering support to the utmost limit of her power and resources.

I have read your appeal to the United States. You may be sure that the peoples of North America see with clear eyes, the realistic needs of the hour. It is my faith that all the material and economic strength of this continent will be marshalled without delay to help the French republic in the great cause for which she fights. As never before, free men the world over are inspired by the sacrifice and the devotion of France.

W. L. Mackenzie King,
Prime Minister of Canada.

OLD AGE PENSIONS

PETITION FOR LEGISLATION ENLARGING PENSION AND MAKING THE PENSIONABLE AGE SIXTY-FIVE

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I wish to present a petition to the house under standing order 68. It is in order and has the correct superscription—"To the honourable the House of Commons in parliament assembled." It then follows the usual formula—"The petition of the undersigned humbly sheweth;" the subject matter is set forth in paragraphs, and so on, and it concludes with the prayer and the formal words, "And your petitioners as in duty bound will ever pray."

I see by the rule that I must confine myself to a statement of the parties from whom it comes, to the number of signatures attached to the petition, to the material allegations contained in it and to the reading of the prayer of such petition. I shall therefore do so.

The parties from whom it comes are citizens of Canada from the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and a portion of Ontario. Their names and addresses are all given. I am told that the petition was got up in a very few weeks and of course it would be impossible to have so many signatures on one petition. Consequently I have a number of them here containing the same heading. I produce one as a sample. Apparently they had the idea that as many names as possible should be on one sheet. This one is forty-eight feet long and contains 1,112 signatures. The others are all much the same.

The number of signatures attached is said by those who are sponsoring the petition to be 57,409. I have not counted them myself, but if anyone wishes to check their accuracy I shall be glad to afford him the opportunity to do so.

The material allegations contained in the petition are briefly as follows:

That the cost of shelter for a single individual is at least $10 and that a further sum of $10 per month is inadequate to provide the necessities of living, including food, clothing, medical care, et cetera.

That thousands of persons in Canada over sixty-five years of age have no means of support and are unable to compete in the labour market.

That to maintain a very modest standard of living would cost $1 a day; this is shown by the experience of governments in the maintenance of patients and soldiers in institutions maintained by the state.

[Mr. Mackenzie King.]

That the age of sixty-five is recognized in the dominion civil service, and also in several of the provinces, as being the age at which retirement is desirable.

That the age of sixty-five is the one adopted for old age pension eligibility in Australia, New Zealand, the United States and other countries having similar conditions to Canada, and that that age has been endorsed by the legislatures of British Columbia and Alberta and by many public bodies.

That the spirit of the Old Age Pensions Act is in some instances defeated by technical regulations which create unnecessary difficulties.

These are the main allegations in the petition.

The prayer is as follows—and in case it should be suggested by someone that the petition is out of order in calling for an expenditure of public money, I would point out that it is drawn up to comply with paragraph 714 of Beauchesne's Parliamentary Rules and Forms, which says that the house would refuse to receive a petition asking directly for a grant of money but that the house does receive petitions which ask simply "for legislation or for such measures as the house may think expedient to take." I now read the prayer of the petition:

> Wherefore your petitioners humbly pray that your honourable house may be pleased to enact such measures as the house may think expedient to take to improve conditions above described.

In addition to the signatures on the petition I have received a number of individual letters, numbering about 150, which I am not presenting because technically they are out of order, but they all endorse the petition and describe their own conditions in rather pitiful terms.

The parties who sponsor this petition are a responsible body in Vancouver. In their covering letter they express the hope that the house will give the petition sympathetic consideration, and I would add my own hope that when the financial resources of the country permit it, action will be taken accordingly.

STANDING COMMITTEES

CHANGES IN PERSONNEL

Right Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That the name of Mr. Gingues be substituted for that of Mr. Pottier on the standing committee on miscellaneous private bills.

That the name of Mr. Pottier be substituted for that of Mr. Gingues on the standing committee on industrial and international relations.

That the name of Mr. Lalonde be substituted for that of Mr. Fournier (Hull) on the standing committee on privileges and elections.

That the name of Mr. Fournier (Hull) be substituted for that of Mr. Lalonde on the standing committee on miscellaneous private bills.

That the name of Mr. Cloutier be substituted for that of Mr. Dupuis on the standing committee on agriculture.

That the name of Mr. Dupuis be substituted for that of Mr. Cloutier on the standing committee on printing.

That the name of Mr. Jaques be substituted for that of Mr. Quelch on the standing committee on banking and commerce.

Motion agreed to.

RULES OF THE HOUSE

MR. SPEAKER DIRECTS ATTENTION TO STANDING ORDER 41 PROHIBITING THE READING OF SPEECHES

On the order for motions:

Mr. SPEAKER: Before the orders of the day are called, I wish to draw the attention of all hon. members to a practice in debate which seems to be growing, and is contrary to the rules of the house. I refer to the reading of speeches.

Standing order No. 41 makes provision for decorum in debate. I would refer hon. members to Beauchesne's Parliamentary Rules and Forms, at page 95, paragraph 293, which states:

> Besides the prohibitions contained in this standing order, it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not: . . .
>
> (o) read from a written, previously prepared speech.

This rule was adopted in 1927, but as long ago as April 19, 1886, a resolution was adopted by the house which I should like to read. It was as follows:

> That the growing practice in the Canadian House of Commons of delivering speeches of great length, having the character of carefully and elaborately prepared written essays, and indulging in voluminous and often irrelevant extracts, is destructive of legitimate and pertinent debate upon public questions, is a waste of valuable time, unreasonably lengthens the sessions of parliament, threatens by increased bulk and cost to lead to the abolition of the official report of the debates, encourages a discursive and diffuse, rather than an incisive and concise style of public speaking, is a marked contrast to the practice in regard to debate that prevails in the British House of Commons, and tends to repel the public from a careful and intelligent consideration of the proceedings of parliament.

I realize from my own experience how comforting it is that the written word should be before a speaker while he is speaking in the house, and especially when one is a new member. There are quite a number of new members in the house, and therefore some latitude has been given in the debates which have already taken place, but I thought it proper to call the attention of hon. members of the house to the practice, which has not been confined to one side of the house; in fact, I think it has been almost universal in its application. I believe that a reference to the rule in this formal and general manner will forestall any objections from the house or from the chair in future debates.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I hope that the rule will not be construed as applying to important statements made by the Prime Minister on behalf of the government. At a time like the present, every precaution is necessary with respect to utterances of international significance and concern. Statements on all such should I think be read rather than expressed extemporaneously. I believe that that is understood; in fact, in England, it is the practice for such statements to be read.

Mr. SPEAKER: Such has been the custom and it has been accepted by the house. As suggested to-day, statements from ministers have been read in this chamber, and the custom and practice of the house has been to permit the reading of such communications where government policy is involved. I think the general sense of the house will be that all such statements should be read, in order that governmental statements may be meticulously and correctly given to the house.

NATIONAL REGISTRATION

INQUIRY AS TO IMMEDIATE CONSIDERATION BY THE GOVERNMENT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to direct an inquiry to the Prime Minister (Mr. Mackenzie King). In view of the noble words which he has addressed to the Prime Minister of France, and in order that these noble words may be followed up by deeds and action, will he say that the government will give immediate consideration to the question of a national registration in Canada?

Right Hon. W. L. MACKENZIE KING (Prime Minister): If I were sure that to comply with the wish of my hon. friend would carry out what he has in mind, I would be the first to give him an answer in the affirmative. Until I have reached that view I am afraid I shall have to say that the matter he has referred to has been, is, and will continue to be under consideration.

PRAIRIE FARM ASSISTANCE ACT

INQUIRY AS TO PROBABILITY OF AMENDMENT DURING PRESENT SESSION

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): May I ask the Minister of Agriculture (Mr. Gardiner) whether we may expect legislation at the present session to amend the Prairie Farm Assistance Act?

Hon. J. G. GARDINER (Minister of Agriculture): The matter is still under consideration.

NATIONAL DEFENCE

REPORT AS TO THREATENED INVASION OF ONTARIO FROM THE UNITED STATES

On the orders of the day:

Mr. J. GORDON ROSS (Moose Jaw): I should like to know from the Minister of Justice (Mr. Lapointe) whether he has received authentic information from any reliable sources in regard to a threatened invasion of Ontario from the United States?

Right Hon. ERNEST LAPOINTE (Minister of Justice): No. Immediately after my attention was called by the leader of the opposition (Mr. Hanson) to the statement made by the premier of Ontario the heads of the Royal Canadian Mounted Police communicated with the head of the provincial police of Ontario. As a matter of fact, I believe, Superintendent Kemp, who is in charge of the Ontario division of the force, got in touch with Commissioner Stringer of the Ontario police, who told him that he could not give him any answer without first consulting the premier of Ontario. That was two days ago, and to this very minute neither we nor the police have received any information. May I say also that the Royal Canadian Mounted Police is in constant communication with the police authorities, both federal and state, of the United States. They are in constant communication with the law enforcement agencies in the state of Michigan and the state of New York, which are more directly concerned with our boundary in Ontario. Every precaution is being taken. Nothing unusual has happened, and the consensus of all those in authority is to the effect that there is great exaggeration in the statements which have been made.

[Mr. Mackenzie King.]

MUNITIONS AND SUPPLY

INTERNMENT OF PRESIDENT OF COMPANY HOLDING WAR CONTRACT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, may I direct an inquiry to the Minister of Munitions and Supply (Mr. Howe) of which I gave him some notice? In view of the fact that a company owned and controlled by a person who is in fact now detained as an enemy alien has a huge contract with the government for the manufacture of minesweepers, will the Minister of Munitions and Supply say (a) that the contract is to be continued; or (b) is to be cancelled; or (c) that the government will take over the plant and finish the contract? Or, (d) has the government the power in such a case to confiscate the plant as enemy alien property? Generally, what is the policy of the department and the government in such a situation?

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I assume that the contract referred to is a contract by the Dufferin Shipbuilding company for the construction of four minesweepers. The reports of our inspectors indicate that the material is being delivered and that the work is proceeding on schedule. I have no knowledge at the moment of the interest of the president of the company, who has been detained with a view to internment.

Mr. HANSON (York-Sunbury): I am informed that he is interned.

Mr. HOWE: Well, he is interned, I assume, subject to the usual appeal. Whether this can be treated as enemy alien property is a matter for the law officers of the crown to decide. But it is important to the department of munitions that the work on these four minesweepers shall proceed, and any steps which will be taken will protect the completion on schedule of the minesweepers. We are examining the situation with the law officers of the crown and will determine the policy in the light of the facts as we discover them.

Mr. M. C. SENN (Haldimand): I believe that the same concern, or one controlled by the gentleman to whom reference has been made, has contracts for the construction or finishing of airports in certain localities, some

of them being in my own riding. Will the minister say whether the same statement would apply in this particular instance?

Mr. HOWE: The company is another company, I think. Certainly the president is the same person, and my remarks apply equally to other contracts.

INFORMATION GIVEN IN PRESS RELEASES WITH RESPECT TO CONTRACTS

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): In the press releases that are sent to hon. members every so often, giving information as to contracts, we are given the number, the name of the company and the price, but could there be another column to show the article ordered?

Hon. C. D. HOWE (Minister of Munitions and Supply): I shall be glad to take that up with the publicity branch of the Department of Munitions and Supply and ask that that be done.

AMENDMENT TO CLARIFY AND EXTEND POWERS OF MINISTER, ETC.

Hon. C. D. HOWE (Minister of Munitions and Supply) moved that the house go into committee to consider the following resolution:

That it is expedient to amend the Department of Munitions and Supply Act to clarify the powers of the minister and in some respects extend his powers of acquisition, by purchase or otherwise, of munitions and supplies, and to empower him to construct and carry out defence projects, engage services, et cetera.

Motion agreed to and the house went into committee, Mr. Fournier (Hull) in the chair.

Mr. HANSON (York-Sunbury): Would the minister make a statement now?

Mr. HOWE: The Department of Munitions and Supply Act was passed at the session of parliament held in the week between September 6 and 13, 1939. The act was actually proclaimed on April 9, 1940. In the meantime the work which is now carried on by the department was carried on by the war supply board. The regulations of the war supply board were somewhat similar to the original Department of Munitions and Supply Act. As the work of the department developed, certain wider authority than given by the act was given to the war supply board. Also certain changes in practice developed through experience, which were not the practices set out in the Department of Munitions and Supply Act. When the act was proclaimed it was of course necessary to continue all the undertakings of the war supply board and to continue the procedure very much as it had been carried on by the war supply board.

The purpose of these amendments is, first, to bring the Department of Munitions and Supply Act into conformity with the amendments to the act which were made by order in council under the War Measures Act to enable the department to function and to take over from the war supply board without interrupting the procedure. A second purpose is further to enlarge the powers of the department under the act and to revise the procedure, primarily for the purpose of permitting a considerable degree of decentralization of the work carried on by the department. It has been found utterly impossible to assemble in Ottawa a sufficient staff to handle all the multiplicity of undertakings that the department has in hand at the present time. The act provides that certain government owned and controlled companies shall be established and headed by business men chosen by the government who will be able to carry on certain operations as companies rather than as part of a departmental staff.

That I think covers the general purpose of the amendments to the act. It is exceedingly difficult to discuss any of them in detail until the bill itself is distributed, but of course I shall be glad to answer, as far as I can, any questions that may occur to hon. members in the meantime.

Mr. HANSON (York-Sunbury): The act, as the minister stated, which was passed on September 12, 1939, created a new ministry, the Department of Munitions and Supply. It was proclaimed on April 9 last under P.C. 1435. The Prime Minister (Mr. Mackenzie King), in moving the second reading of the bill in September, explained that his purpose was to create a department which would have power to mobilize and control to the fullest extent Canadian industry for war purposes. He said that the bill was modelled on the department which the British government set up under Mr. Lloyd George during the great war. It was further explained that it was not the intention of the government to set up the department immediately, which is borne out by the fact that the act was not proclaimed until April 9 last, the work being carried on meanwhile by the old war supply board.

On April 9, 1940, when the act was proclaimed, substantial additions to the powers and provisions of the act were made by order

in council under the War Measures Act, chapter 206 of the revised statutes of Canada. The scope and authority of the powers of the department were very considerably extended. I am assuming of course that that was absolutely necessary by reason of the increase of business arising out of the war. I do not know whether these orders in council have been laid on the table. I refer particularly to P.C. 1437 and P.C. 1438, which I have obtained from the proper authority; also P.C. 2189, which was previously laid on the table, passed on May 24 last, and which provided for the setting up of these government-owned corporations, if I apprehend it correctly, and the authorization of guarantees, et cetera, to a maximum not exceeding $2,000,000 to be given by the Minister of Finance. I do not wish to refer to that item, because I think I understand why that was done and why it is desirable that undue publicity should not be given to the underlying reasons; I shall respect the confidence that was reposed in me on that occasion and not go further into that aspect of the matter.

If I understand the minister's explanation of the resolution, the first object to be attained by the proposed bill is to regularize the orders in council and make them part of the statute which has already been passed. That, I think, is good practice, and there is no objection to it. But with respect to the second and third objects, when we come to the committee stage of the bill I will ask the minister to be good enough to tell us in some detail—not necessarily full detail—what he has in mind with respect to decentralization of operations. I can quite understand that in a country as far-flung as Canada, geographical considerations being what they are, decentralization may be good business. As a lawyer connected with commercial operations all my life I can quite appreciate that.

I do not know how far the minister can take us into his confidence with respect to these government-owned companies. Of course he will admit that in peace time that policy would be considered a very great departure. I give the minister credit as a business man for understanding that this particular power which he is investing in others as trustees on behalf of the government could be exercised only in time of war, and under conditions designed to protect the public treasury. Doubtless that is one of the vital things which the minister has in mind. I invite him now to be good enough, when we come to the committee stage of the bill, to give us as much information as it is in the public interest to give on these points. I am not going to press him beyond that.

[Mr. R. B. Hanson.]

Mr. HOMUTH: Is it the minister's intention to proceed with the bill now?

Mr. HOWE: The bill is ready for distribution. It depends on whether hon. members would prefer to have time to study it first. My intention to-day was to move first reading and let the bill be distributed, and then continue on another day.

Mr. COLDWELL: We welcome the suggestion made by the minister that we be given an opportunity to look over the bill before much debate takes place. The minister spoke of setting up government corporations, as it were. Will they be in the same relationship to this parliament as, for example, the Canadian National Railways? I have it in mind that we are not able to obtain information from subsidiary corporations of the type of the national railways or the Canadian Broadcasting Corporation. Will the corporations set up be of that type, or will they be more directly under this parliament so that we may get more information about their activities than we are now able to get about the national railway system?

Mr. HOWE: I think the extent to which parliament can be given information about these companies depends on the purpose of the company. Take, for example, a company whose duty it is to protect the production of war supplies against a shortage of raw materials that come from countries which may from time to time be cut off as a source of supply. To some extent it would defeat the purpose of the company to give an account of its transactions while they are current, because some of this material is perishable and must not only be bought but sold. There is another company whose purpose would be defeated if full details of its work were given in the house. On the other hand we have a third company which is coordinating the management of governmental enterprises. Several enterprises separate in themselves, with separate management and necessarily separate operation, must be coordinated in order to produce the finished article. Concerning that I shall be delighted to give the fullest possible information to the house at any time. It is a business transaction, carried out by a company simply as a matter of convenience, making possible the assembling of a separate group of men and the providing of office space outside of the capital, where office space is almost impossible to obtain. I think my hon. friend will see the position. I feel that anything we do as a department of munitions and supply should be made public to the fullest possible extent consistent with the public interest, and so far as these companies are concerned that is the view I will take.

Mr. COLDWELL: In explanation I might say that I have never held the view that corporations of this type should be directed by this House of Commons. I do not think that is feasible. But there is a danger of some of these public corporations getting too far away from the control of the house. On occasions we have asked, for example, for information as to the salaries paid by the Canadian National Railway system, and have been told that these things are "matters of internal management." We have to try to strike a middle course. I do not take the view that parliament could run industry; I do not think it could. If the time comes, and I believe it will come and ought to come, probably during this war, when the government will have to take over the control of essential industries, we shall have to work out some method, probably that adopted in Great Britain, under which we can establish publicly-owned corporations free from political interference by parliament. I raised the question in order that when the discussion comes up the minister may be in a position to give some information.

Mr. HOWE: The reason we do not give information about matters of internal management of the Canadian National Railways is that the railway is in a highly competitive position, and to present information on matters of internal management just as it is asked in the house might be harmful to the competitive position and therefore against the public interest. These companies to which this bill will relate are of course not competitive, and I know no present reason why any question such as my hon. friend suggested could not be answered. Taking, for instance, the matter of salaries, I think there would be no difficulty.

Mr. GREEN: Will the minister explain the situation with regard to the construction of merchant shipping in Canada at the present time? I believe there is great lack of available shipping space. I know we have had that difficulty in British Columbia in connection with our exports of lumber, and I presume the same situation exists in other parts of the country. The present would seem to be a good time for Canada to inaugurate a steel ship building programme. We shall probably have great difficulty in getting ships from Great Britain. I understand the shipyards there are all working to the limit. Then again if there should be such a thing as the bombing of these British shipyards, that would make it practically impossible for us to get ships from the old country.

I would ask the minister if it would not be possible for Canada now to enter upon a programme for the construction of ships up to, let us say, 10,000 tons. We built a great many ships during the last war; and while it might cost a little more to build them in Canada than to buy them in Great Britain I suggest that under existing conditions the only way to obtain sufficient shipping to handle our exports may be by building the ships ourselves. As we all know, Canada lives on her exports. If we do not export we will have a very bad time of it.

Mr. HOWE: I suggest to my hon. friend that, as the war has developed, the shipping situation, instead of growing more acute, has eased off. There was a time, at the beginning of the war, when there was a great shortage of shipping to carry Canadian products to their markets. That shortage has steadily become less acute, until to-day I doubt if it can be claimed that there is any shortage of shipping for that purpose. The reason, of course, is that neutral fleets have been diverted more and more to the trade between Canada and Great Britain. Canada is becoming more and more the principal supplier of Great Britain, and consequently British ships and the ships of neutral countries are being directed more and more to that service.

So far as the lumber business is concerned, direct shipments by water from the west coast present some difficulties. There is a shortage of shipping there, war or no war; but there again I am told that the situation has eased greatly, and that by rail shipment to the Atlantic coast and water shipment from there, together with direct shipment by water from the west coast, that situation is being taken care of quite comfortably.

Whether at a time like this we should divert the productive capacity of Canada to the peace-time operation of building merchant ships is, I think, questionable. I would not undertake to say that shipyards could not be created to build merchant ships with reasonable dispatch, but certainly those yards would have to compete with the established yards, now fully occupied with the construction of ships of war, for skilled mechanics and for such materials as are manufactured in this country. The additional demand on our steel industry would be entirely beyond the capacity of that industry to produce, and the imports of raw materials would constitute an extraordinary strain upon our supply of United States exchange. My own opinion would be that a programme of the kind suggested by my hon. friend is quite impracticable at this time.

Mr. GREEN: Is the minister certain that the shipyards of Canada are fully occupied at the present time with the construction of

vessels of war? My information, from very good sources, is that they are not; that at least some of the yards even now have the capacity for the construction of merchant ships in addition to such warships as they may be constructing. The minister said we might have to create such yards. I did not mean that; I had in mind that the present shipyards could be used. The minister said also that building ships was a peace-time operation. I hope he is right in that, but things are happening very rapidly these days, and the construction of merchant ships may be a very important war-time operation for Canada before many weeks have gone by. I would suggest to the minister that this question of shipbuilding should not be just put on the shelf but that it should be looked into further. It is possible that we may need those ships very badly in a very short time.

Mr. HOWE: Just to clear up one point, it is my understanding that the shipyards of Canada are fully occupied with Canada's naval programme, having regard to the fact that in certain yards some capacity must be reserved to take care of repairs. Repair work on both coasts, and particularly on the Atlantic, is extremely heavy, due to the great increase in merchant shipping. But I can say that we have contracts for ships that have not been placed at the moment. We should be glad to place contracts for a few more naval vessels, and if my hon. friend can promise me prompt delivery and a reasonable price, I shall be very glad to consider the matter.

Mr. GREEN: I did not promise any prompt delivery, but different members from British Columbia have received a brief on these matters, in which it is stated there is space available for the construction of merchant ships. I would ask the minister to look into the situation and see if that is the case.

Mr. HANSON (York-Sunbury): The minister said, as I believe to be the case, that the shipping situation has eased up, and he mentioned the fact that neutral fleets had been absorbed into the Canadian traffic. Is there not another reason, that we have lost a substantial portion of our markets and that therefore bottoms are not in as much demand as they were? Is it not a fact that traffic has become very much restricted; and is that not an additional reason why the shipping situation has eased up? That is my understanding of the case.

Mr. HOWE: I think that is true in part, though I believe the supplies and munitions going overseas put as much of a tax on shipping from Canada as has been the case in the past. I think our port figures show that we are exporting from Canada at this time as much as we have exported at any time in the last several years.

Mr. HANSON (York-Sunbury): I am wondering if the government is using the port of Saint John to the extent that it might be used, or if it was used to that extent last winter. Perhaps I am treading upon sectional ground; that is not exactly my home port, but it is an important Atlantic port. Last winter I saw trainloads of freight, supplies for overseas, being transported to Saint John, through Saint John and out of Saint John on to Halifax for transhipment, and I just wondered why that was being done. No one has asked me to say this; I am doing it on my own initiative. I have no desire to open old sores down there, but in the last war the facilities of the port of Saint John were utilized to the full, and in days gone by I had something to do with seeing that the port was properly equipped. I am glad to see the minister has carried forward the plans we instituted in that connection, but I regret that he did not rebuild the Petingill wharf, as I understood the former member for that city promised would be done. I assume that there may have been excellent reasons why that was not carried out. I know we did not do it in 1935 because we just could not find the money, but that is an important plan. Those two wharves on the east side ought to be rebuilt. At the present time the sheds are old wooden structures, quite inadequate to handle the traffic. At my suggestion a modern scheme was drawn up under which two or three splendid docks were to be built, established and operated on the east side of the harbour, with a view to having a twelve-month shipping period at that port if possible. I was wondering if the minister would have anything to say with respect to these matters. If he prefers not to say anything now, I shall not press it.

Mr. HOWE: The routing of shipping is under the control of the British shipping controller. No one in Canada has anything to say as to what port a ship will use. I have always thought that the representative of the British shipping controller in Canada is rather friendly to the port of Saint John, and I am inclined to think he will see that Saint John is not dealt with unfairly in that regard. It is the duty of the railroad to transport goods to the port to which they are billed. Saint John has had an excellent year, according to the figures, perhaps the best in its history.

Mr. HANSON (York-Sunbury: Since the last war.

Mr. HOWE: That may be so. We had planned to provide for the rebuilding of McLeod-Petingill wharf in the work of the current year, but two reasons made us drop the plan. The first and compelling reason was that no public works money was available in any part of Canada. The second was that even though we had the money, it would not have been wise to undertake work which would mean that the capacity of the wharf would be out of service for a considerable time. In order to rebuild the dock it is necessary that at least half of it be out of service. While this dock may not be modern in all respects, it is quite serviceable and it is doubtful if we would be justified in curtailing its capacity at a time when so many demands are being made upon the port.

Mr. NICHOLSON: Has the government brought to the attention of the British shipping board the fact that facilities are available at Churchill? A number of people in northern Manitoba and Saskatchewan have directed my attention to the fact that large supplies of pulpwood, timber and various mineral products are available in this part of the country and could be shipped economically through the port of Churchill.

Mr. HOWE: The British shipping board is no doubt aware of the facilities at Churchill and its position as an export port. The difficulty is that all shipping must be brought into one port so that a convoy may be made up. So far that port has been Halifax. The distance from Churchill to Halifax, as I remember it, is slightly greater than the distance from Churchill to Liverpool. To bring a boat from Churchill to Halifax and then send it across would just about double the length of the voyage. I simply mention this as one reason why the British shipping board may not decide to use Churchill this year, although we have had nothing as yet to indicate what action they will take. There are supplies of wheat at that port and whether or not the board sends for them is something that we can hardly control.

Mr. GREEN: A few moments ago I mentioned having had information about available space on the Pacific coast for building these ships. I now have copies of three letters which deal with this matter. The first is from the Burrard Dry Dock Company, Limited, of North Vancouver, and is addressed to Mr. Hugh Dalton, of the British Columbia division, Canadian Manufacturers' association. This is a substantial shipbuilding firm which is actually engaged at the moment in the construction of war vessels for the government. This letter reads in part:

In reply to your recent inquiry as to the facilities available at our plant in North Vancouver for the construction of cargo tonnage, we have to advise you that we have available on our own property room for two new building berths, immediately adjacent to our existing yard, each with a capacity for ships up to 10,000 tons. These berths, already cleared and graded to receive foundation piling, could be completely equipped and ready for occupancy within six weeks, which would be before steel deliveries could be expected.

Having in the past constructed vessels up to 8,350 tons deadweight, any ordinary sized vessel could be built. Detailed drawings of the following sizes of ships, equipped with steam reciprocating machinery, are available:

1. 400′ x 56′ x 31′—8,350 tons deadweight.
2. 331′ x 46′ 6″ x 25′ 6″—5,100 tons deadweight.
3. 320′ x 44′ x 25′—4,300 tons deadweight.

The smaller vessels could probably be turned out more quickly than the largest, but the capacity of the latter would make this vessel a very desirable type.

A considerable part of the material for these vessels would have to be procured in the United Kingdom or the United States. The imported material would include plates and shapes, also possibly crankshaft and line shaft forgings. Boiler plates would have to be imported from the United States. Steam engines for these vessels could be built in our own plant. If diesel driven vessels were required, engines could be readily procured in the United States.

Delivery of the larger vessels could be made in the following periods after receipt of orders:

1st ship—15 months.
2nd ship—17 months.
3rd ship—21 months.
4th ship—23 months.

The smaller vessels could be turned out in from a month to six weeks less time each.

They then go on to give the price and so on. I have also a copy of a letter addressed by the Victoria Machinery Depot Company, Limited, of Victoria, to Mr. Dalton. This is another reliable shipbuilding firm, and their letter dated May 20, 1940, reads in part:

Confirming our conversation regarding building of 8,000 to 9,000 ton merchant vessels, we would like to make our position clear on this matter as follows:

We have available at this time the site on which we built 8,800-ton vessels for the Canadian government merchant marine in 1919-20. There are two berths and launching ways which are still in good condition. We have the plant and equipment capable of building these vessels and have no doubt about obtaining sufficient skilled labour to carry through the construction of two such vessels at once.

We would not like to state just at this moment that we are prepared to take contracts for such construction, but are prepared to entertain such a proposition and would give it our serious consideration.

The next is a letter from North Van Ship Repairs, Limited, North Vancouver, under date of May 21, 1940, addressed to Mr. Dalton.

It reads:

In answer to your inquiry re steel merchant marine vessels, we are fully equipped to handle merchant vessels, and would be very pleased to figure on them.

There are at least three firms which are prepared to go ahead.

Mr. HOWE: As I said, I am quite aware that new capacity can be created. All these people have are sites.

Mr. GREEN: They have the machinery and so on. The minister should not say that. I do not think that is fair.

Mr. HOWE: That is what the letters say.

Mr. GREEN: They go a great deal further than that.

Mr. ROSS (St. Paul's): What is the set-up of these companies to be? Will there be a president, directors and all that sort of thing? Could the minister give us some idea of how they will be formed? What relationship will there be between these companies and the dominion civil service?

Mr. HOWE: These will be companies incorporated with presidents and boards of directors. There will be no relationship between the companies and the civil service. The companies will be free to employ such help as they need. So far as that goes, I do not think they will require large staffs.

Mr. ROSS (St. Paul's): Will the board of directors be made up of government officials?

Mr. HOWE: No.

Mr. ROSS (St. Paul's): What representation will the government have?

Mr. HOWE: The government is simply the body that owns the company.

Mr. HANSON (York-Sunbury): Without divulging any information that might be inimical to the safety of the state, which is the highest ground upon which I can place it, could the minister state just why it is intended to have these commercial companies? If he will say frankly that he does not want to state this at this time, I shall not press the question. But it is such an unusual departure from the ordinary method of doing government business and spending government money that perhaps some little justification is necessary.

Mr. HOWE: In one or two particular cases there is a reason which I think my hon. friend will appreciate from what I have already said. There are operations which cannot be conducted in the white light of publicity if they are to be conducted successfully. But in the larger sense it is simply a question of a way to get work done, of bringing into the service of the government people who are capable of doing highly specialized work but without making them in a sense civil servants. We can find business men who have demonstrated over the years that they are well able to operate a company successfully but who are perhaps not in a position to give up their ordinary business and move their place of residence to Ottawa and work here. They perhaps could not—I doubt if they could—carry on the functions I have in mind under a departmental set-up, working through a deputy minister and a minister.

Mr. HANSON (York-Sunbury): They do not like the red tape. That is about it.

Mr. HOWE: It makes things unworkable if there is too much of it.

Mr. HANSON (York-Sunbury): Yes.

Mr. HOWE: There is only a certain amount of business which you can put through that sort of channel. This will allow us to decentralize and to do work outside which can very well be handled by a company. It will enable us to put certain work into the hands of responsible business men who, after all, are always subject to the owners of the company and to government audit. We can get work done in that way which it would be difficult to get done as well by other means.

Mr. HANSON (York-Sunbury): One more question. Will these government-owned corporations come into competition with privately-conducted business institutions? If they will, I suggest to the minister that he should withhold his hand, because even in war-time I do not think the government ought to set up competition to established private industry.

Mr. HOWE: There is no suggestion of that so far as any corporation contemplated to date is concerned.

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

Mr. HOMUTH: Is it not a fact that these special companies have been set up for the purpose of assisting private industry?

Mr. HOWE: Quite so; that is the purpose.

Mr. STIRLING: This resolution asks parliament to extend the powers of what was at first a board, now a department, which has been in operation only for a matter of weeks. Last year we passed from the ordinary departmental purchase of munitions to a defence purchasing board, then to a munitions board; and in September parliament passed this act, but the department came into operation only

in April. It deals with large matters, and the public of necessity is ignorant as to how it is working out. We are gradually obtaining information. A great deal of business is passing through the department, and undoubtedly there must of necessity be criticism, based in part on lack of information. That information we shall receive if we are able to consider and discuss the bill amending the act which incorporates the department; in the light of that information we can give the bill more intelligent discussion.

There are matters such as the rapidity with which contracts are issued. The minister may be able to give the house a very good reason for the time which it now takes to get a contract finally through. There are also matters connected with getting information to firms or individuals who desire to do business with the department. Canada is a large country and of necessity difficulties must be involved in getting information into the hands of individuals at the far ends of Canada that such and such materials are required. The suggestion has been made in my hearing more than once that it might be possible to follow the custom used in the last war in another country, of issuing from time to time the definite items which will be required in contracts shortly to be let. By spreading that information throughout the country the opportunity would be given to comparatively small firms and individuals to offer their services. These are matters which it seems to me we can discuss far more intelligently if the main explanation and discussion of this measure comes on the second reading, after we have had an opportunity of seeing the bill.

Mr. HOWE: It is not my intention to go beyond the resolution and first reading to-day. On the second reading of the bill I shall be glad to have the officers here to help me give the fullest information.

Mr. HOMUTH: When will the bill be considered? Will it be on Monday, or Tuesday?

Mr. LAPOINTE (Quebec East): Not before Tuesday.

Mr. GILLIS: Mr. Chairman, there are a few remarks I should like to make on the resolution. I understand that the Minister of Munitions and Supply (Mr. Howe) is charged with the responsibility of letting contracts necessary to our war effort. While we believe that the minister is carrying out his duties as head of that department to the best of his ability and in the best interests of the country, there are times when we are sceptical whether he is receiving the cooperation necessary to a proper war effort from people who are benefiting and making profits from these contracts.

In view of the fact that the resolution concerns possible amendments to the act to clarify and extend the powers of the minister, I wish to take this opportunity to draw to the attention of parliament and the government the aspirations of labour in connection with the matter now before the committee. Again and again in this house members of the group with which I am associated have called upon the government to conduct our war effort in such a way as, first, to protect the interests of the common people of this country, and, second, to preserve and strengthen democracy at home at the same time that we are fighting for its preservation on the battlefields of Europe.

As I pointed out in my first speech to this house, two fundamental bulwarks of democracy are trade union organization and the cooperative movement. To-day I am concerned with the first. I believe I express the hopes of all organized labour, whether national or international, A.F. of L. or C.I.O., when I appeal to the government to introduce into the act a provision which will safeguard labour's right to organize.

Discrimination against workers on the ground of trade union activity is wrong at all times and in all industries. This government recognized that fact when it accepted and adopted an amendment to the criminal code which was first introduced in this house in 1936 by the national leader of the Cooperative Commonwealth Federation, the member for Winnipeg North Centre (Mr. Woodsworth). Such discrimination it seems to me is even more inexcusable in war time when government war contracts are being awarded.

I make this appeal not only on the basis of general principles but on the basis also of confidential information which has come to my notice as to discrimination against employees in plants producing war materials for the government. One such particular case I wish to draw in some detail to the attention of the government, because it will illustrate the point I am trying to make. This case concerns an employee of the John Inglis company of Toronto, by the name of Walter Camm.

We understand that the Bren gun contracts of the John Inglis company form the major portion of the firm's business and are largely controlled by the Canadian government from the department of defence. Certain labour organizations in the summer of 1939 were informed that the application form for employment in the John Inglis company was so worded as to indicate that the company was opposed to organized labour.

Photostatic copies of this application form were secured and when the question dealing with union affiliation was pointed out to representatives of the federal Department of Labour in the city of Toronto and an inquiry made as to why this clause should appear in an application form, the departmental representatives took the matter up with the management of the John Inglis company. The answer given through the department to the labour organization was that this clause had been put in the application form in order to guard against "subversive elements".

I wish to stop for a moment at this point to protest and warn against the application of the term "subversive elements" to legitimate trade union activities. Spokesmen for my group have already stated clearly that we recognize the need for dealing with those who would interfere to the benefit of our enemy with this country's war effort at the present time. But if the democracy we are fighting for is to retain any reality the organization of trade unions must remain and be recognized as a legitimate and legally protected activity of the workers.

The ACTING CHAIRMAN (Mr. Fournier, Hull): Order. The Speaker of the house called attention to-day to a rule which should be followed in debate, that an hon. member should not read his speech. I am informed that the hon. member is reading his speceh.

Mr. GILLIS: I should like to make this clear. I am attempting to place before the committee a matter of considerable importance to the Minister of Munitions and Supply which has been drawn to my attention within the last few days. I do not want to overstate the case. I want to be absolutely sure of the details I am giving to the committee and, particularly, to the minister. For that purpose I have taken notes on the matter; I wish to be sure that I am stating the facts clearly and not taking chances on my memory.

This specific case proves conclusively that the company is practising discrimination against organized labour. I stressed in the first attempt I made to address this house that one of the most essential considerations so far as the government and the country as a whole are concerned is the recognition of the rights of labour. You can mobilize industry as effectively as you like, but if the people employed in that industry for the purposes of production are not treated as citizens of this country should be and are unable to exercise the rights of that democracy we say we are fighting for, the result will be greatly to retard Canada's war effort. I repeat that my only object is to bring forward this particular matter without misstating the facts. It was drawn to my attention by responsible trades union authorities in Ontario, and I want to be sure that the details are given to hon. members as they were given to me.

Mr. LAPOINTE (Quebec East): May I make a remark to my hon. friend? He is doing very well without reading. I suggest that he might use his notes for purposes of reference, without actually reading them.

Mr. GILLIS: I was attempting to state the circumstances of this specific case of discrimination. It is one which I think should be closely checked. In the present situation, when a contract is awarded to a firm or an organization of any kind, we recognize the seriousness of the crisis and we admit that equipment is at this time the most necessary part of our war effort. These contracts are awarded in order to secure that necessary equipment, and when incidents arise such as the specific case which I have attempted to set out, it is evident that we are not receiving the cooperation of the people who are obtaining, on the basis of profits, the benefit of these contracts.

The term "subversive elements" can be seriously abused and, in my opinion, is being abused in Ontario at the present time. Members of the legitimate trades union movement are so classified because they attempt to set up organizations under the laws of the country. Employers of labour who are neither patriotic nor interested in this country, other than to exploit it, use the term "subversive elements" with the object of keeping labour beaten down to a point where they can exploit them and make two hundred per cent profit on the operation of a contract which the government gives them.

Mr. HANSON (York-Sunbury): Does the hon. gentleman suggest that there are any employers in this country who are making two hundred per cent profit by exploiting labour? If there are, I should like to know who they are, and this parliament, I believe, without regard to class or party or anything else, will get right after them.

Mr. DOUGLAS (Weyburn): Has the leader of the opposition read the John Inglis contract?

Mr. HANSON (York-Sunbury): Well, I know something about it. I do not think it amounts to two hundred per cent. It is bad enough.

Mr. GILLIS: I say that if the democracy we are fighting for is to retain any reality, the organization of trades unions must remain

and be recognized as a legitimate and legally protected activity of the workers. Those who would interfere with such legitimate trades union organization are the elements which are creating disharmony and resentment at a time when harmony is needed.

Subsequent to the incident of the application form a number of requests for union organization were received by union officials. Substantial progress had been made, when an employee of the company who had taken a prominent part in negotiations at the request of his fellow employees was dismissed by the management. When the employee inquired as to the cause of dismissal he was told that he was unsatisfactory.

Further inquiry as to whether his work was satisfactory or whether the dismissal was for other reasons was answered by the company official with the same statement, "You are not satisfactory to the company." Subsequent to the dismissal the matter was drawn to the attention of the Department of Labour, who made inquiries on behalf of the discharged employee, and they were informed that the man's work was satisfactory, that he had not been dismissed for union activities, but engaged, as the company were, in the production of munitions, it was necessary that they should have confidence in all their employees.

What was their reason for not having confidence in this man? It would seem that the mere fact that this man took a prominent part in the attempt to organize the employees of the company was sufficient for the management of the company to lose confidence in him.

I should like to make it clear that to-day this man is under a cloud. He has a wife and family. The company let him out because they "have not confidence" in him. The conception the average man would get is that this employee is one of the "subversive elements", that he is a fifth columnist. At the same time, according to my information, the company refuses to divulge to the Department of Labour why he was dismissed. He cannot obtain employment, and he is roaming around Ontario under a cloud. It seems to me that the least that this company should do is to divulge to the appropriate department of the government why he was dismissed. If he is a fifth columnist and dangerous to this country in the present situation he should not be at large. If, on the other hand, there is nothing against him except the exercise of his right as a citizen to bargain collectively in accordance with the laws of this country, he should be reemployed. And in this particular case I do not view Major Hahn or the John Inglis company as the employer, because the government subsidizes this operation and paid for all the equipment, as I understand it, which makes the operation possible. For that reason I consider the government is in the position of employer, and Mr. Hahn or the John Inglis company is merely an agent of the government in this connection. I regard it as a prerogative of the government to do justice in this matter; particularly is it the affair of the Minister of Munitions and Supply, as he is charged with the responsibility of seeing that we are supplied with the equipment which this company is turning out.

Further representations to the Department of Labour were made. Department officials agreed that the answers given to their inquiries by Major Hahn were not satisfactory and that further inquiries would be made. Considerable correspondence took place on this matter and the case was dragged out for a period of more than two months. In the meantime the employee in question was unemployed and suffered greatly as a result of his discharge. The Minister of Labour in replying to a final inquiry stated that so far as the government was concerned they had no inquisitorial power and therefore could not inquire further. In view of the seriousness of the action of the John Inglis company in this matter, as it has been represented to me, I believe that either the Minister of Munitions and Supply or the Minister of Labour should give this house a full explanation of this case.

As I stated earlier in my remarks, I cited this case to illustrate the need for a provision in the act which will place the minister under an obligation to guarantee the workers the right to organize in plants producing war equipment for the government and which will also give him the power to enforce such a guarantee. It is my opinion that the case which I have just brought to the attention of this committee is a scandal. As we all know, public money was poured into the setting up of the plant of the John Inglis company as well as the production of the Bren gun. If the original terms of the contract are being carried out the company is receiving a very fair profit indeed on this contract. In such circumstances it seems to me clear that it was the duty of this government, of the Department of Munitions and Supply and of the Department of Labour to ensure that the workers employed by that company are given the full right to organize in trade unions of their choice if they so desire. Such a general obligation and power should be included in the act now under consideration.

Several times since the outbreak of war all the bodies of organized labour in Canada have publicly offered their full cooperation to

the government in its war effort. I know they intend to implement that promise in practice. But organized labour has the right to expect in return that its rights will be safeguarded and that the employers of labour will cooperate, at least to the same extent.

I understand the Minister of Munitions and Supply, through this resolution, is asking for a clarification and extension of his powers, and I think the case cited here to-day is an absolute and specific instance. I am satisfied that his powers should be extended and clarified and that he should have the right, when contracts are placed, to see that the workers in the industry concerned are able to exercise their rights as far as trade unionism is concerned, and he should be given the power to see that this provision is enforced.

Mr. HOWE: Does my hon. friend speak for organized labour as a whole when he says that he would like to see the Minister of Munitions given jurisdiction over labour?

Mr. GILLIS: I did not say that. Speaking for myself, I said that in my opinion his powers should be extended and clarified, and if he is permitted by the government to pass upon and to award contracts in certain operations in the country he should also be allowed to extend his power so as to see that workers' rights are protected in the particular operation, to the extent of carrying out the laws of the country in regard to collective bargaining. And he should be given the authority to see that the operators comply with the regulations in this regard. He should have the right to enforce his authority to see that the rights of workers are recognized in the matter of bargaining collectively and signing collective agreements in any particular operation.

Mr. HOWE: I have heard other labour leaders express very different views in the matter. The consensus is that everything having to do with labour should be retained in the Department of Labour.

Mr. DOUGLAS (Weyburn): The minister has not met the point made by the hon. member. The hon. gentleman is not suggesting that the Minister of Munitions and Supply should take over the powers now vested in the Department of Labour. The government could work out the technical details, but the minister should have the power in letting contracts to deal with the particular question now under consideration. There are certain minimum wage clauses at present in contracts; certain rights are recognized. Those rights can be extended. The government can also insert in the contract the provision that the men employed shall have the right to organize in the union of their choice and that the men in any particular trade should be allowed to bargain collectively with the employer, and those who get the benefit of the contract should not be allowed to use the exigency of the war as an excuse for preventing their employees from bargaining collectively or from organizing a union in a particular shop or an industry. There is no reason why the Department of Labour could not insert such a provision in these contracts. I understand that the department has already put in a clause with reference to minimum wages. Why not insert one with reference to collective bargaining on the part of men employed in industry?

Mr. HOWE: The federal statutes already give labour that right, and labour is aware of it. It is made a criminal offence for an employer to interfere.

Mr. COLDWELL: But the amendment to the criminal code is weak in some particulars. Here you have a concrete case—and we know of others—where men who are active in trying to organize their fellow workers are dismissed ostensibly because they are not satisfactory to the company; and yet every one knows it is because the company refuses to have labour organized in the plant. We are anxious to see to it that the relationship that has been brought about in Great Britain, and which I heard the Right Hon. Ernest Bevin discussing from London over the short-wave radio last night, should be brought about here. During the war we should not be subjected to various labour disputes and strikes, and if we are to avoid that kind of thing, then companies like the John Inglis company, if they are doing this sort of thing, as I presume they are, ought to be disciplined by the government, particularly when they are handling government contracts. Unless employers of this type are brought to time we shall be faced with labour disputes which will seriously interfere with our war effort. The hon. member for Cape Breton South has brought this question to the attention of the house because he is anxious, as we all are, that these disputes shall not arise. If Major Hahn's policy is carried out, however, there will be labour disputes and internal difficulties and we do not wish to see such occurrences.

Mr. WARREN: While the hon. member for Cape Breton South was speaking I was wondering if he had ever met the type of workman who talks himself out of any job he has ever got. Most of us know that type of man. I do not know anything about the particular person the hon. member has been

talking about, but I do know individuals who, although good enough workers, can never get a job with a private company or corporation without invariably talking themselves out of it just because they begin to make trouble among the other workers. There is no private employer of labour who will willingly tolerate that sort of thing if his men generally speaking are satisfactory, are doing their work willingly, are getting along well, and are happy and satisfied. When such a condition exists, then one man comes along and immediately starts to agitate and to make trouble, and it is no wonder that such a man eventually finds himself unable to get work with private employers of labour in his own neighbourhood. He is the type of fellow the government sometimes find clamouring for work on government jobs of one sort or another. He is the type of fellow that eventually finds himself wandering from place to place under a cloud, seeking employment and not finding it. In many instances the blame lies not at all with the employer of labour but with the individual himself. Who can blame employers of labour when they find their whole operation disorganized because some individual will persist in agitating and causing trouble, no matter where he may land a job?

Mr. MULOCK: Since the question of the Bren gun has come up this afternoon, I wish to refer to one matter the public is interested in more than anything else. I do so because when I was in Toronto last week-end responsible people mentioned to me that rumours were current throughout the city that there was some difficulty which was retarding production of the weapon. Instead of devoting our time to disputes of that sort, which surely could be ironed out by the Minister of Labour (Mr. McLarty), at a time like this we ought to be getting down to business in order to expedite the delivery of supplies not only for the use of the dominion's troops but for our allies who have appealed to us, in the words of President Reynaud which we heard this afternoon. If the statements made to the effect that the Bren gun is not being turned out properly, that it is not operating efficiently, are not correct, those responsible for them should be interned and prosecuted, because they are undermining the morale not only of the Canadian people but of the Canadian soldiers who are going to use that weapon to fight for us. Will the minister make a statement as to the correctness or otherwise of the rumours which have been abroad during the last few weeks?

Mr. HOMUTH: Surely in this debate we will not discuss again the question of the Bren gun or anything in connection with it. Whatever debate there was on that subject, it is over. We are trying to get on with the business of the country.

Mr. MULOCK: It is a question of rumours that are going around along that line, and I think the hon. member will agree that if those rumours are not correct, the sooner the people know the fact the better.

Mr. COLDWELL: We have not heard those rumours this afternoon.

Mr. HANSON (York-Sunbury): I have no desire to intervene in this debate or to discuss the question from the angle brought forward by the hon. member for York North (Mr. Mulock). He is twenty-four hours late. We were discussing yesterday the resolution of the Minister of Justice (Mr. Lapointe) with regard to the defence of Canada regulations. The hon. member stayed at home too long over the week-end.

Mr. MULOCK: I was in the house.

Mr. HANSON (York-Sunbury): I did not see the hon. gentleman. The hon. member for Cape Breton South (Mr. Gillis) has raised an important principle. We are living now in the nineteen-forties. I think the hon. gentleman to my right who spoke a moment ago is still living in the nineteenth century. This country has recognized, as I think all sensible employers of labour have come to recognize, the principle of corporate or collective bargaining among the labouring men of the country. I have a confession to make. Years ago I opposed the organization of the employees of corporations with which I have been associated, first in a legal capacity and subsequently as a director, and I am bound to say that after a careful review of the whole situation, and without having any thought or idea of its importance to or bearing on my political fortunes, I have reversed my position. I am in favour of the theory of collective bargaining and have urged my clients and the corporations with which I have been associated to agree to the principle. I realize, in reading history, that the labouring men have never got anywhere in the endeavour to improve their position in Canada, and particularly in the old country, until they had some kind of organization to speak for them. Labour organizations are like other organizations; there are good ones and bad ones. In the United States they have gone too far. Labour over there has endeavoured to take governments by the throat, to dictate the election of presidents, and also to dictate national policies. That is beyond their purview.

But to come to the concrete question which the hon. member for Cape Breton South has raised, here is a company which was set up to build a war machine for this government and the British government and for nobody else, and it is public money that is going into it—nobody else's money so far as I know. A proper relationship should be established since it is public money that is being spent. The government of Canada has recognized this principle for a long time. We passed legislation establishing the eight-hour day in dominion public works. I tried to help get through other legislation with respect to social services which would be of assistance in ameliorating social conditions among the workers of Canada, but that legislation was ruled ultra vires by the courts of the country. So far as unemployment insurance is concerned, Canada is at least five years too late in making a start. I do not say that such a scheme will cure unemployment, but it will certainly alleviate the conditions of unemployment. The opposition was challenged by hon. gentlemen across the way.

That is an old story now; but to come back to this very point which the hon. member for Cape Breton South has raised, if I apprehend what the complaint was, it was in effect that Major Hahn of the John Inglis company was carrying on a system of sabotage against organized labour in that industry, which has its being to-day by virtue of the expenditure of public money. I do not agree with that, and I ask the Minister of Labour (Mr. McLarty) to look into the matter in the interests of the country and—for the most part among the best citizens we have in Canada—the genuine trade unionists. There are others, but the genuine trade unionists in my town are among the best citizens we have there. I am for the principle of collective bargaining; I do not care who knows it. If I am unable to carry this party with me in it, well and good; but that is my view and I think the government ought to see to it that Major Hahn and the John Inglis company do not carry on a system of sabotage against their employees on the theory that they will drive unionism out of that institution. The complaint may not be well founded. The minister should not be asked to go very far—certainly not as far as some hon. gentlemen to my left are asking—in incorporating provisions in contracts already executed and under way, but he should look into the matter and see to it that this company at least is carrying out the laws of the land both federal and provincial.

[Mr. R. B. Hanson.]

Mr. GILLIS: An hon. member asked me whether I had ever met the sort of man who talked himself out of a job and who would not work. I can answer in two ways. You will generally find the men who will not work, at the head of corporations. The second classification covers the man who talks himself out of a job. Yes, I have met such men too, the men who pioneered the way for trade unionism, many of them classified as agitators and driven from one end of the country to the other, the sort of men referred to this afternoon as those who talked themselves out of jobs. To men of that kind go the credit for every bit of progress in this and every other country in the world. I have talked myself out of several jobs, too, organizing the trade union movement, but to-day I see it established one hundred per cent in the province in which I lost those jobs. So I lost nothing in the end. I am proud of that activity, as every man who has taken that position is proud. These men understand the road they are travelling and are prepared for whatever repercussions there may be.

The man whose case I took up this afternoon—and I took it up on the authority of a person in whom I have all the confidence in the world—is not that kind of man at all. I understand he is a master mechanic, one of the best qualified men in Canada to carry on the work of the plant from which he was dismissed. All he did was ask that the laws of this country be recognized by those carrying on the operation of that plant. It has been stated in this house that men with these qualifications, specialists in industry and so on, are very badly needed, that there is a great shortage of them in Canada to-day. That has been admitted by the ministers of different departments. Here is a fully qualified man who is now on the road simply because he wants to exercise his rights as a citizen in this year of grace 1940.

I think the day is past when actions of this kind should be permitted in this country. I have every hope that the Minister of Munitions and Supply (Mr. Howe) will do something about this matter now that it has been brought to his attention. In my opinion the Department of Labour has gone as far as it can go by way of legislation. I understand that it has had this matter under consideration for a couple of months, but apparently it is not able to do very much about it. So I wanted to bring the matter sharply to the attention of the Minister of Munitions and Supply, because he deals with these people

directly in connection with their contracts, and, I believe, will be in a better position to force them to take some action.

Mr. MAYHEW: The hon. gentleman (Mr. Gillis) who has just spoken has certainly not talked himself out of a job; apparently he has talked himself into a very nice job as a member of this house.

Mr. GILLIS: That is my reward for past activities.

Mr. MAYHEW: I do not doubt that the hon. member deserves it. Although I am a manufacturer and an employer of labour, I am also in favour of unions. My plant is organized, and I have always encouraged my employees to organize. I ask only one thing: that those who are sincere in trying to promote the best interests of the men take an active interest in that organization. So I have no quarrel with my hon. friend. I am quite in agreement with him when he says he would like to see all our plants unionized.

I cannot agree, however, with the man who will deliberately state in this house that the manufacturers of Canada are looking for any 200 per cent profit at this time. Last week I attended the meetings of the Canadian Manufacturers' association in Winnipeg, and I venture to say there is not a plant in Canada of which this government could not take control to-morrow without giving any remuneration whatever. This morning I had the pleasure of offering, on behalf of some of the men of my province, their services, their money and their factories without asking one dollar in return. They are willing to take their money out of their pockets or out of their banks—what is left of it—and all they ask is the capital return. When my hon. friend says that the manufacturers are looking for a profit of 200 per cent, I say that is an indictment of our Minister of Finance (Mr. Ralston) if he brings in a budget that does not make provision for the odd man who wants to graft on the country at this time. It is not a question of whether the Minister of Finance should take twenty per cent, thirty per cent, forty per cent or fifty per cent of the excess profits; he should take every dollar of them. No honest Canadian citizen should come out of this war one dollar better off than he was when it started.

I would say to my hon. friend, however, or to anyone else who rises and asks for his rights in Canada to-day, whether he be an employer or an employee: Will he get his rights if Hitler comes over here and takes charge? If that should happen, he will do exactly what he is told. If I were in the saddle to-day in this country, both labour and industry would do exactly what they were told, until the war was over.

Mr. GREEN: Are the government taking any responsibility for the training of skilled workmen for our war industries? One hears from time to time that there is, or is apt to be, a shortage of skilled labour. It would be interesting to know whether the government have anything in mind along the line of helping to train men for this special work.

Mr. HOWE: There has been a long debate in this house on the resolution brought in by the Minister of Labour which I thought pretty well dealt with that question. I may tell my hon. friend, however, that there are various training plans. I hardly think it comes under this resolution to deal with those plans in detail, but there are a good many of them, all having the same end in view.

Mr. GREEN: Does the minister mean under the government, or private training plans?

Mr. HOWE: There is assistance given to private plans, and there are provincial plans assisted by federal grants.

Mr. HANSON (York-Sunbury): Grants in aid from this government?

Mr. HOWE: Yes.

Mr. JOHNSTON (Bow River): I have something to say in connection with the training of mechanics, but I do not want to go into the matter in detail at this time because the minister has given the assurance that the question will be taken up in greater detail on the second reading of the bill. For that reason I have not said very much about that matter, but I think there should be a definite plan for the training of men. The minister has referred to several plans which are now in operation, but in my estimation they are not up to the standard at all. I can see clearly that in the near future we are going to have a very much greater demand for trained mechanics. I had the privilege of studying some of these plans, and I want to tell the minister that such plans as I have studied are not at all adequate to meet the great necessities we are about to face. I should like to go into that in greater detail a little later on, but I think the minister would be well advised to consider the suggestion advanced by the hon. member for Victoria, B.C. (Mr. Mayhew), who spoke a moment ago.

From what I have seen I am quite convinced that the sort of training which is being given

is not conducive to the best results. It is entirely too elementary. I have been in contact with quite a few principals of technical schools, in this and in other provinces, and I have found that almost without exception those schools are prepared to go to any lengths to assist the government to train mechanics who will be able to step right into these munition plants, aeroplane factories and so on, and carry on efficiently. So far as I know, that is not being done at the present time. I think the government would be well advised to see what can be done in conjunction with these technical schools, in order that the graduates of these schools may give greater assistance to industry than is at present the case. I know from the communications I have had with the principals of these schools that they are only too anxious to cooperate with that end in view. When the bill is up for second reading, I shall want to go into this in more detail because I think there are certain matters that should be straightened out. I believe the minister would be well advised to see what could be done in connection with the further training of mechanics.

Mr. CASTLEDEN: I was quite pleased to hear the statement of the hon. member who spoke for the manufacturers' association. Apparently we have made a great step forward, and I am quite sure we are going to get some action soon. The minister stated in September 1939 that not one contract offered by the war supply board was accepted with the five per cent limitation. Perhaps the hon. member should explain the reason for that, or would the minister make a statement?

Mr. HOWE: A good deal has been said about that limitation. It has been stated that the limitation of profit was five per cent of the cost of the product, but that was not the case. As my hon. friend knows, the limitation was five per cent of the capital employed in production. That is a very different matter. In practice that limitation proved to be so indefinite and complicated that no contract was accepted with the limitation. I may say that all the supplies the Department of Munitions and Supply have purchased since this war began have been produced at a profit which I am sure does not exceed five per cent.

Mr. ROSS (St. Paul's): Under the bill to be brought in, will the minister have the power to carry on the training of men should a shortage of labour occur? When the labour resolution was before us, I asked the Minister of Labour (Mr. McLarty) to make a statement. Possibly the Minister of Munitions and Supply could tell us what cooperation there is between his department and the Department of Labour in connection with this matter.

Mr. HOWE: I thought I had taken all the powers there were, but if there is any power not in the bill I shall be glad to include it following the suggestion of my hon. friend.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 41, to amend the Department of Munitions and Supply Act.

Motion agreed to and bill read the first time.

AGRICULTURAL PRODUCTS

MEASURE TO PROVIDE FOR AGREEMENTS WITH COOPERATIVE ASSOCIATIONS AND PROCESSORS

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 24, to amend the Agricultural Products Cooperative Marketing Act, 1939.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Fournier (Hull) in the chair.

Section 1 agreed to.

On section 2—Cooperative association.

Mr. CASGRAIN: I move that paragraph (b) of scetion 2 of the bill be amended by deleting the words "delivered to it for sale" and substituting the words "produced by the aforesaid primary producers".

Mr. SENN: This puts the act back where it was before. There are certain objections to the bill as it stands at the present time. It seems to open up a large field and change the intention of the act. As I understood it, the act was intended to enable the primary producers to market their products by cooperative efforts, but this bill as it is would open up an entirely new field. Cooperative associations could be set up and take in and market any kind of goods, and they would be guaranteed against loss. I am glad to know that the minister has changed the wording back to the original form of the act. This act should be for the purpose of enabling the primary producers to market their own goods by cooperative efforts.

Mr. GARDINER: That is why I asked to have this paragraph amended.

Mr. SENN: What was the reason for the paragraph reading as it does?

Mr. GARDINER: The proposal came from officials of the department who are administering the act. They felt that certain of

these organizations would like to bring in under the operations of the act certain products that might be delivered to them for sale. It was felt that those products could be handled under the same set-up as was provided for the handling of products delivered by producers who had organized. When this matter was brought before me later on, I pointed out just what has been pointed out now by the hon. member for Haldimand, and the result was that it was decided that the section should be changed back to its original form. The bill had already been printed and other changes would have been required in order to have the wording of this section apply to other following sections, so this method was thought to be the most simple.

Mr. HANSON (York-Sunbury): The minister would say that this is a case of ill-digested legislation.

Mr. SENN: The minister has been wise in making that decision. The history of cooperative efforts in this country has not always been good. Cooperative organizations have been set up and have carried on successfully for a number of years. In some instances it was decided to broaden out and handle other products, and the result has always been that they got into deep water. I commend the minister for changing the bill back to the original form.

Mr. DOUGLAS (Weyburn): Could we be clear about the amendment? As we understand it, the words "delivered to it for sale" are being struck out and other words substituted.

Mr. GARDINER: "Produced by the aforesaid primary producers."

Mr. SENN: The same as it was before.

Mr. DOUGLAS (Weyburn): The term is used "under a cooperative plan." Would it not be wise to define somewhere in the act what is meant by a cooperative plan? What is to prevent any line elevator company from taking delivery of goods from a group of producers and marketing those goods for them?

Mr. GARDINER: Paragraph (c) of section 2 of the original act defines "cooperative plan" as "an agreement or arrangement for the marketing of agricultural products which provides", and so forth, and then it goes on to define further.

Mr. DOUGLAS (Weyburn): I did not bring the act with me, and I do not recall the exact wording that follows. But a definition is provided?

Mr. GARDINER: Yes, in the original act, but not in this amending act.

Amendment agreed to.

Section as amended agreed to.

On section 3—Cooperative plan.

Mr. SENN: A new principle is introduced in this clause as well; that is, allowing cooperative organizations of primary producers to set up reserves. What is the reason for such action? I doubt very much whether it is wise for cooperative oganizations, after having sold farm products, to set up reserves of any kind. It might very well be said that the total income of any cooperative organization should be divided among the producers. After all, the personnel of any cooperative organization changes from year to year, some of the members perhaps dying, some moving away and other new members coming into the organization. If these reserves are set up, those who drop out of the organization after having consigned their products to the cooperative for sale will not get a just return for those products consigned to the producers' organization. It seems to me there must be some motive behind it beyond what appears on the surface.

Mr. GARDINER: There is no other motive, as I understand it, except the one mentioned by the hon. member, namely, to give power to the organization to set up a reserve. As the act now reads, section 3 provides:

> The minister may, with the approval of the governor in council, by agreement with a selling agency. . . .

Then it goes on to indicate what may be done, but it makes no provision for setting up a reserve. It has been thought wise in some organizations to set up a small reserve to take care of any possible loss that might occur if, say, two short term agreements are entered into in the one year, or if the cooperative decides to carry on into the second year and make a second agreement.

Mr. HOMUTH: It is rather a large reserve, is it not?

Mr. GARDINER: There is no particular amount set.

Mr. HOMUTH: It says "up to."

Mr. SENN: Will there be a limit set to the amount of reserve? Unless the minister has some jurisdiction over the cooperative organization, it might set up a very large reserve. I cannot yet see any reason why a reserve should be set up at all. It seems to me to be establishing the principle of putting this whole cooperative idea on a commercial basis, where it should not be.

Mr. GARDINER: Section 3 of the present act provides that the minister may "by agreement with a selling agency." That is, all these matters are contained in the agreement. Subsection 2 of section 3 of the present act provides:

No payment shall be made to primary producers subsequent to the initial payment unless such subsequent payment is first approved by the governor in council.

There is provision made for covering costs, and this additional provision is being made for setting up reserves. The maximum of these costs and reserves would be set in the agreement.

Mr. SENN: But the agreement provides that a certain amount up to 80 per cent of the average price for the past three years shall be guaranteed by the department or the minister at any time that a cooperative organization wants to organize and carry on. I point out that this is progressive. The average for the last three years may not be the average for the next three years, and if the organization continues to set up reserves from year to year, it will lower the average for the past three years, so that after the reserves have been accumulating for three years the average will be considerably lower. It seems to me, therefore, that it might work out finally to the disadvantage of the primary producer himself to have the average lowered by setting up these reserves.

Mr. GARDINER: When we were discussing the resolution in committee I put on *Hansard* the details of the different agreements entered into under this legislation, which illustrate the point better than I could do it otherwise. The first of these has to do with honey, and the initial payment is three cents a pound. Then processing, carrying and selling charges—that will be costs now instead of selling charges—were two cents a pound. That was before the reserve was provided for. It was set at two cents a pound right in the agreement. The initial payments and the processing, carrying and selling charges amounted to approximately 55 per cent of the average price during the preceding three years. It has been the desire both of the cooperatives entering into arrangements under this act and of the department to see that very little risk of loss is taken, and for that reason in most instances the liability involved in the initial payment, plus the costs allowed—in this case it will be plus reserves as well—would not exceed the percentage of 80 per cent.

[Mr. Senn.]

Mr. WRIGHT: Paragraph (iii) of this section provides:

(iii) for an initial payment to primary producers of a percentage, not exceeding eighty per centum, approved by the governor in council on the recommendation of the minister, of the average price paid to producers according to grade and quality.

I think it would be difficult for the minister to determine the average price paid to the farmer according to grade and quality. In the alfalfa area in northern Saskatchewan there are a dozen different buyers buying alfalfa. How is the minister going to arrive at the average price paid to the producer? Why not retain the wording of the original clause and say the wholesale price? That could be obtained much more easily and it would be a higher price to the producer. Why was this change made?

Mr. GARDINER: It will be noted that section 6 of this bill retains that wording, "the average wholesale price", which is the important point my hon. friend raises.

Mr. WRIGHT: Why not retain those words in section 3? Why not say that "the average wholesale price" shall be used?

Mr. GARDINER: This is the same as it was in the original act, which provides by subsection 3 of section 3:

In the event of a difference arising as to the average sale price under an agreement made under this section, the decision of the minister shall be final.

We, of course, examine the records in the bureau of statistics and any other records available with regard to the average price for the three years, and finally determine what that price has been. The final decision rests with the minister after examining all these records.

Mr. WRIGHT: That does not answer my question. Why is the wholesale price not used in this clause?

Mr. GARDINER: The wholesale price would not be the proper term to use here. We are concerned that the producer should have advanced to him, not 80 per cent of what the wholesale price happened to be, but 80 per cent of what the producer himself received during those three years. We are trying to give him an initial payment which will assist him in carrying on until he receives the final payment, and we say that the initial payment should be a certain percentage of the average price that he himself obtained during the preceding three years. That may not be the wholesale price, which is generally

interpreted to be the price at which a commodity is turned over to the retailer and sold to the consumer.

Mr. WRIGHT: If the word "wholesale" were left in there, it would mean that the producer would get a guarantee of the highest price for his product.

Mr. GARDINER: Well, he might.

Mr. WRIGHT: Therefore, I think, the word "wholesale" should be used.

Mr. SENN: I assume that the receipts from the different grades in any cooperative organization will be kept separate and distinct from each other, and settlements will be made on that basis. The minister has mentioned two or three times that the decision of the minister will be final. No doubt the minister is too busy to go into all these details himself. I should like to know what machinery has been or will be set up within the department to look into these matters, advise the minister and give him proper information.

Mr. GARDINER: The whole organization connected with the marketing branch of the department is available to deal with matters of this kind; and of course, as the hon. member has suggested, I must rest my decision on the information which they gather for me.

Mr. SENN: Has any particular person or persons been designated in that marketing branch to undertake this work?

Mr. GARDINER: In so far as contact with myself as minister is concerned, Mr. A. M. Shaw, the director, is the person who determines what the recommendations to the minister will be, and I act upon the recommendations.

Mr. SENN: What machinery is there for auditing the books of these different cooperative organizations so that a report may be made to Mr. Shaw to be carried by him to the minister?

Mr. GARDINER: All these companies are compelled, under the arrangements made with them, to have a proper audit by a reputable auditing concern. My information is that an audit of a properly constituted auditing firm is usually accepted. If we have any question about the matter, it would be checked by the government auditors themselves.

Mr. SENN: Who pays for the audit?

Mr. GARDINER: The cooperatives pay for the audit.

Section agreed to.

Sections 4 and 5 agreed to.

On section 6—Payment to selling agency.

Mr. CASGRAIN moved:

That section 3 (1) of the act as amended by clause six of the bill be further amended by adding thereto the following proviso:

provided further that the agreement may include a provision that the minister may on such notice as he deems fair and reasonable require that the delivery of an agricultural product to a cooperative association, processor or selling agency shall be discontinued with the result that the minister shall not be liable in respect of any agricultural product delivered to the cooperative association, processor or selling agency after such requirement.

Mr. PERLEY: Would the minister explain that?

Mr. GARDINER: The explanation is the fact that the clause "together with the actual processing, carrying and selling costs" was inadvertently omitted from section 3 (1) of the act, and the Department of Justice were obliged to rule that the agreements were invalid because they did not comply with the act. The fact is that the agreements were valid according to the intention of the act; it was the act itself which was in error. To anticipate possible losses, it might be as regards onions, furs, or any other products of these cooperative organizations, it was thought best to have this provision put in the bill this year in case there might be some payments to be made.

Mr. WRIGHT: With regard to section 6 of the bill, I take it to mean that if a grower delivers a No. 1 grade to a cooperative association, and it is sold at a profit, and a grower delivers a No. 3 grade article to the cooperative and it is sold at a loss, the profit made on the No. 1 grade may be used to make up the loss on the No. 3 grade. Is that correct?

Mr. GARDINER: Mr. Chairman, my reading of the section would be the very opposite of that. It would be that each one of these different grades will form a separate deal, and if there is a loss in connection with any one of them, we are liable to pay.

Mr. WRIGHT: That is as it should be, but when I was reading the section I took it to mean the contrary.

Mr. GARDINER: Which part is the hon. member reading that meaning into?

Mr. WRIGHT: The latter part:

. . . the amount . . . by which the initial payment . . . exceeds the average wholesale price . . . computed on the amount of the agricultural product of such grade or quality so delivered; provided that, in determining the average wholesale price of an agricultural product, the minister may . . . require that

any excess over the initial payment and costs in the sales account of a particular grade or grades shall be applied against any deficit in the sales account of any other grade or grades of such product.

Mr. GARDINER: The proviso at the end does provide that; that is correct.

Mr. SENN: Then it seems to me that the minister, in his former statement in answer to a question I asked on section 3, must have been in error. I asked him distinctly if the income or proceeds from each grade were to be kept separate and distinct and if people who put in a No. 1 grade, for instance, would be paid on that basis. Now we find under this particular clause that, if there is any loss, if the goods sell for less than the guaranteed price, the person who puts in a No. 1 grade, although it may realize a substantial profit, will be penalized on the lower grades if they happen to make a loss. It seems to me that is an unfortunate situation, and the minister rather misled the committee in making that statement.

Mr. GARDINER: The statement is, I should say, partly correct, but in certain circumstances it might not be. If there is no loss in any of the grades that are provided for, of course they will all be pooled separately and carried right through and the initial payment will be made based on the different grades; then, when the final payments are made, they will all be made, again, on the basis of the grade. But if there should be a loss on one particular grade, and a profit in connection with another grade, under this proviso the minister has the right to determine that the loss in the one grade should be made up from the proceeds of the other grades before a distribution is made.

Mr. WRIGHT: That is entirely wrong, because it penalizes the man who is growing the No. 1 product, in favour of the man who may have a No. 3 product. The different grades should be separate all the way through the pool, so that the man who produces the No. 1 product shall receive what it is sold for; and if there is a loss on the sale of the product of the man who has a No. 3 grade, the department should take the loss, not the man who is growing the No. 1 grade.

Mr. SENN: We should have this matter straightened out in some way. I understand a guarantee is made that a certain percentage of the average price for the past three years will be given by the department. May I ask the minister if the percentage will vary for the different grades? Is it intended that the same percentage will be for the average price of all grades for the past three years, or will there be a guarantee of price for each separate grade?

Mr. GARDINER: The intention will be so to fix the variation as to provide against this situation arising. This bill does not cover wheat. Someone mentioned elevators in connection with it. Wheat is covered in the bill that came back from the senate to-day, but the principle has been fairly well established in the handling of wheat. Wheat has been graded over a long term of years. The board meet at the beginning of the season and determine the spread between the different grades. Sometimes they make mistakes, and in this instance it is possible that the departmental officials or others drawing up agreements with officials of the cooperative might make mistakes. The cooperative themselves may have a wrong idea as to what the spreads will be throughout the year, and at the end of the season it may be necessary to sit down again—or it may be in the middle of the season—and consider the situation, when it might be determined that there was too wide a spread between certain grades. The hon. member for Qu'Appelle (Mr. Perley) will be familiar with the experience of last year in connection with wheat, and in setting the spread between No. 3 and No. 4 or, say, between No. 1 and No. 4. The spread was set wider this year on the basis of last year's experience, and that has turned out not to have been the proper thing to do. This makes provision whereby the minister may adjust matters towards the end of the season. It will not result in any particular hardship in the sense that in most instances persons will be delivering products of different grades, and where injustice has been done to those who are delivering, say, a higher grade product as compared with a lower, or vice versa, there is a possibility of correcting any mistakes made, although this is not compulsory—the minister "may" do it.

Mr. TUSTIN: That is one of the things about which the minister should be very careful, making it compulsory that every one of these articles is paid for according to grade. For the last number of years we have been spending large sums of money endeavouring to get agricultural producers to grade commodities; we are now reaching the stage where that is beginning to count, and if we go back in this particular case it will do much to disrupt the work already done in the grading of agricultural products.

Mr. SENN: I do not think the minister has drawn a good parallel between wheat and these other products. After all, it is the average price over the past three years on which the guarantee is based, regardless of the spread there may have been in that time. That was the point I was trying to raise. If a guarantee of a certain percentage of the average price of grade No. 3 is made, the department should undertake to carry that out, and if a percentage of the average price of No. 1 is guaranteed, the government should be prepared to carry that out also without penalizing the man who is producing No. 1 quality goods by asking him to meet some of the losses sustained in connection with No. 3. However, I am not going to labour that further.

There is another matter in regard to which I should like to have some information. I refer to the words underlined in line 20 on page 2 of the bill. The minister moved an amendment to the definition of "cooperative association". The word "processor" opens the way again for the very thing he was trying to avoid in the definition of "cooperative association". "Processor" might mean any of the packing companies or any of the milling companies. I do not think the minister intends to guarantee the packing companies or the milling companies of the country that they will be paid a percentage of the initial price. I give this only as an instance. There are a great many processors throughout the dominion who might take advantage of this particular clause, and it would to a great extent nullify the original intention of the act, that only cooperative associations of primary producers should enjoy the benefits of the act.

Mr. GARDINER: The original act contained the term "selling agency". We have had communications from quite a number of cooperative organizations that were already set up. They had their own selling agency, their whole organization built up, with the agency as part of it. The act was interpreted last year by legal authorities as meaning that anyone concerned, whether cooperative processing plants, or whatever it might be, entering into an agreement, had to go through the process of setting up a central selling agency; and in order to avoid that, power is given here to enter into an agreement with the one cooperative already set up under provincial legislation. We have not dealt with any cooperative except those that are set up under some form of organization which incorporates them. When we deal with that organization we can make an arrangement directly with that cooperative.

Take a processing plant such as a cheese factory. As I understand, cheese factories in Ontario are largely set up on what is to all intents and purposes a cooperative basis, and processing plants of that kind, one or more of them, could enter into agreements under this particular legislation. Then we have processing plants, such as the Barrie packing plant, which is a farmers' cooperative. We could enter into an agreement with that one plant as it now is; and if under the legislation as it now is, it were thought advisable for the packing plant, which itself may not be organized on a cooperative basis but which may be prepared to enter into an arrangement, to handle all the hogs of certain groups of farmers within a certain area, they might be allowed to make use of their plant for the purpose of processing and marketing the product on a pooling basis. In that event we might be prepared to enter into an agreement. Again, I would call attention to the fact that this legislation only gives us power to enter into agreements, and we enter only into agreements that carry out the spirit of the act as indicated in the defining clause.

Mr. SENN: I am not at all satisfied with the explanation. The minister just stated that it only gives the department power to enter into agreements in accordance with the defining clauses of the act. There is no defining clause of the word "processor" that I can find. It seems to me a dangerous experiment. If there were a packing plant in a locality, the minister suggests they could make an arrangement with a group of farmers to process and sell their product. No doubt that packing plant would be doing other business in goods purchased outright, and it seems to me it would be difficult to keep the records separate. I am afraid that the word "processor" as used there should be defined.

Mr. GARDINER: Paragraph (f) of section 2 of the act defines it.

Mr. SENN: In any event it seems to me a dangerous experiment.

I wanted to ask the minister a question about section 4, not for the sake of criticism, as he understands. The section reads:

(d) "initial payment" means the sum paid, or credited for merchandise delivered. . . .

That would lead me to believe that these cooperative corporations not only may be merchandizing their own product but will be purchasing agents for these same farmers who are members. I have always felt that the farmers should first learn to merchandise their own products successfully before they try to merchandise the production of others.

Mr. GARDINER: That is the intention, but some cooperatives that are operating want to enter into arrangements to follow the practice of furnishing certain supplies to their customers.

Mr. SENN: And the minister intends to allow that to continue. Is there any provision made for determining the value of the goods that are exchanged for the products intended to be sold?

Mr. GARDINER: None other than this, that before entering into an agreement with a company of that kind the department would satisfy itself that these producers are satisfied with the treatment they have received from that organization.

Mr. SENN: Is any provision made whereby there will be no compulsion exercised, that is, that a member of the organization delivering, say, a bunch of hogs or a quantity of honey would not be compelled to take goods in exchange? It seems to me it would be a dangerous thing for the government to guarantee prices under any such conditions.

Mr. GARDINER: I cannot conceive of an agreement being entered into where there was any complaint whatsoever by producers as to a clause of this kind. The provision for accepting credit would probably not be put in unless producers desired to have it that way.

Mr. SENN: If it were voluntary, there would be no objection.

Mr. DOUGLAS (Weyburn): Would the minister explain the term "wholesale"? The committee will notice that prior to this time the initial price was 80 per cent of the average sale price. Under this amendment it will be 80 per cent of the average price to the producer. That is, the payment will be made on the basis of the difference between the wholesale price and what the cooperative association has paid to the producer. I imagine the minister means by the wholesale price the price the association receives when it sells the producer's product.

Mr. GARDINER: That is right.

Mr. DOUGLAS (Weyburn): There is no provision in section 2 for a definition of "wholesale price", although I notice the minister is to have power to determine what the wholesale price is. Would it be better to have a definition of "wholesale price" and say it is the price that the cooperative association will receive for the products of which it disposes?

Mr. GARDINER: I do not think it would be possible to define the wholesale price for all the different products that might be dealt with. The act does, as suggested by the hon. member, give to the minister, which means on the recommendation of the officals of the department, the power to determine what the wholesale price is for any product dealt with. I think that is about as far as we could go.

Mr. DOUGLAS (Weyburn): It will be equally difficult to determine what the average price paid to the producer will be. When we come to the next section, the minister might give some idea how that will be determined.

Mr. GARDINER: I do not know whether the hon. member was in his seat a few minutes ago when I stated the method that has always been followed and that will have to be followed in determining the price the producer obtains. We have our bureau of statistics in Ottawa which is furnishing statistics all the time indicating what producers do receive for different types of products; that is where we would probably go for our information. In other cases where there is not a record here, there is likely to be a provincial record dealing with a product which might be produced entirely in one province. We would go to whatever government record we could find, whether federal, provincial or municipal, in connection with such a product.

Our main reason for retaining the price received by the consumer in the clause in that other section is twofold. In the first place we are paying the producer an initial advance as against the price he is eventually to receive. For that reason we think that is the proper basis to take when we are setting the initial payment to the producer. Then there is the further reason, that it renders the liability of the government less, which we always take care of in legislation of this kind.

Mr. DOUGLAS (Weyburn): I think the same argument would apply when it comes to determining the wholesale price. I suppose that in few instances would the wholesale price be less than the initial price. But there will be a problem of administration. If, instead of the wholesale price, the minister could set up the average price which the cooperative associations have received, and the payment if necessary that had to be paid would be the difference between that average price and the initial price.

Mr. GARDINER: The wholesale price stated here is determined after the facts; it is a matter of record in the books. We have access to those books, the actual wholesale price will appear in the books, and that is what will be taken.

Amendment agreed to.

Section as amended agreed to.

Section 7 agreed to.

On section 8—Minister may prescribe with approval of governor in council.

Mr. GARDINER: There is an amendment to that.

Mr. CASGRAIN: I move:

That clause 8 of the bill be amended by striking out the words "the minister may make regulations prescribing," in the fifteenth line, and substituting therefor the words "the minister may prescribe".

Mr GARDINER: As originally drafted, the bill set out that the minister, with the approval of the governor in council, might make regulations in certain cases, set out under paragraphs (a), (b), (c), (d), (e), (f) and (g). Some of those obviously were not matters of regulation; they were matters in which the minister might prescribe. Where the act states that with respect to any agreement under it the minister may with the approval of the governor in council prescribe, it sets out those cases in which it requires the approval of the governor in council. Under the act as we have it drafted, the minister may make regulations prescribing; but where the approval of the governor in council is not required, it is not felt necessary to say that the minister may prescribe only by regulations. He may prescribe by regulations, or he may prescribe without regulations.

Amendment agreed to.

Mr. CASGRAIN: I move that the section be further amended by striking out paragraph (d) of subsection 2.

Mr. GARDINER: That gives the minister the same power which was given previously to the minister with the consent of council; the power remains with the consent of the governor in council.

Amendment agreed to.

Section as amended agreed to.

Section 9 agreed to.

On section 10—Payment of liabilities under the agreement.

Mr. SENN: Is there any provision for the winding up of the year? Is there any provision for surpluses that may accumulate; and what will be done in case there is a surplus at the close of any year? Will settlement be made only when everything is disposed of?

Mr. GARDINER: That is taken care of in the agreement which is entered into. In some instances the agreements are not for the full year. Some of the agreements entered into this year already have been paid out, final payments having been made.

95826—51½

Mr. SENN: Supposing at the end of the term of the agreement there is a surplus on hand. What disposition will be made of that, or is there any provision for looking after a matter of that kind?

Mr. GARDINER: There is not supposed to be any surplus unless it is set up in the form of a reserve, as provided for earlier in this amending legislation. The whole amount obtained for the product is supposed to be paid out as a final payment.

Mr. SENN: Did I understand the minister to say that if any surplus is left over at the end of the agreement period, it will constitute the reserve that was provided for?

Mr. GARDINER: No, but there will be nothing carried from one year into another unless it is under the provision for a reserve. The end of the agreement will come at some particular time, and any of the product still on hand will be sold out and payment made to the individual producers. That is, I would not anticipate that this product would be carried into a further pool, but if it were, it would be covered by the second agreement.

Mr. SENN: Provision is made that no final payment can be made until the minister consents. Would the minister then say that if a surplus is carried over into the next year, no final payment can be made until that surplus is disposed of?

Mr. GARDINER: It might work out in that way. It would depend on what gave the best protection to the individual producers involved in the agreement. There is just the possibility that some products which may be sold on option are disposed of in that way, and the full value which the producer can obtain will be realized on the day the year winds up. If all the money can be obtained it can be distributed, but if the surplus product is to be carried for perhaps a month beyond the end of the year, I do not imagine that you could make a final payment until the product was all sold.

Mr. SENN: I do not want to carry on the discussion too long, but is there any provision for bad debts? Is there any provision for promissory notes which may not be due at the time of the final disposition? It seems to me many of these matters might interfere with the final payment, and I believe the situation should be clarified.

Mr. GARDINER: That would all be provided for in the agreement and in the audit. The minister would not give consent to final payment unless all those matters were cleaned

up. That is the very reason why it is left with the minister to determine finally when that payment should be made.

Mr. CASGRAIN: I move that section 10 of the act, as contained in section 10 of this bill, be deleted.

Mr. GARDINER: That is the provision that the act comes into force on a date to be fixed by proclamation.

Mr. HOMUTH: Will it come into force on receiving royal assent?

Mr. GARDINER: The act is in force now.

Amendment agreed to.

Section as amended agreed to.

Bill reported.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: Mr. Speaker, this morning while having a word with my hon. friend the leader of the opposition (Mr. Hanson) I mentioned to him that, the situation in Europe being what it is at the moment, I should like to have my colleagues meet me this evening. If hon. members would not object, therefore, I would move that we now adjourn. We have had a strenuous week; I have no doubt that hon. members feel the intense anxiety of the moment, and probably they will be agreeable to adjourning now.

Motion agreed to and the house adjourned at 6 p.m.

Monday, June 17, 1940

The house met at three o'clock.

THE KING'S BIRTHDAY

PERSONAL MESSAGE OF THANKS FROM HIS MAJESTY FOR RESOLUTION OF JUNE 13

Mr. SPEAKER: I have the honour to inform the house that I have received the following personal message from the king:

Buckingham Palace

Members of the House of Commons of Canada:

I am greatly touched by the terms of the resolution adopted yesterday by the members of the Houses of Parliament of Canada on the occasion of the official celebration of my birthday. Twelve months ago I left Canada convinced from my own personal experience that nowhere in the world were justice and freedom more truly appreciated, and neither in peace nor in war would the people of Canada ever suffer themselves to be deprived of their institutions grounded on those ideals. The dire events of the year that has passed have confirmed that conviction a hundredfold. Canada from the first clearly understood the true import of this terrible struggle, and the immense issues that hang upon its outcome. She hesitated not at all, and the resolution with which she has thrown herself heart and soul into the conflict has been, I can assure you, an immeasurable strength to me and to all in the old world.

George R.I.

EUROPEAN WAR

STATEMENT AS TO RECENT DEVELOPMENTS IN FRANCE

Hon. R. B. HANSON (Leader of the Opposition): May I ask the Prime Minister if he has anything to say to the house and the country at this time with respect to the situation on the other side, and if not to-day, when will he be in a position to make a statement?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in reply to my hon. friend I would say that hon. members are of course aware of the extreme gravity of the situation in Europe. It is not yet possible to indicate the precise situation in France. Members know that following the break through at various points on the French front and penetration of the Maginot line the French army has not thus far been able to reorganize effective resistance; that upon the resignation of Premier Reynaud, a new cabinet was formed under Marshal Petain, and that it is seeking an armistice with the enemy. While not minimizing the seriousness of the blow to the cause of the allies, I can say with confidence that the fate of France will strengthen rather than weaken Canada's determination to intensify her war effort in the direction of increased measures of home defence, the necessity for which will be now apparent, and in the direction of further assistance to the United Kingdom.

It is my intention to-morrow to give the house all available information. I will, at the same time, make a statement as to the measures which have been adopted and which it is proposed to adopt to meet the emergent situation.

Hon. members may have noticed that it has been announced that the Prime Minister of the United Kingdom will make an important statement to-morrow on the European situation. That statement will be made I assume before this house meets to-morrow afternoon. It is, I think, preferable that, in a matter of so grave importance as is the present situation, a statement concerning it as a whole should come from the Prime Minister of the United Kingdom before an attempt is made by the leader of the government in our house to appraise it at its full significance.

I might add a word about the Canadian troops overseas. It is now possible for me to inform the house that, in conformity with the plans of the allied high command, preparations were made early this month for the early participation in action in France of the first division of the Canadian active service corps. Last week some of our troops were actually landed in France. The changed circumstances rendered their withdrawal imperative, and over the week-end effective steps were initiated to that end.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—CHANGE OF PERSONNEL

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

That a message be sent to the Senate to acquaint their honours that this house has substituted the name of Mr. Dupuis for that of Mr. Cloutier to act on the part of the House of Commons as a member of the joint committee of both houses on printing.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 32, to incorporate Pool Insurance—Mr. McNiven.

Bill No. 33, to incorporate The Stanstead & Sherbrooke Insurance Company—Mr. Gingues.

Bill No. 36 for the relief of Elizabeth Pauline Tingley Kidd—Mr. Hazen.

Bill No. 37 for the relief of Nancy Patricia Lytle Rowat—Mr. Hill.

Bill No. 38 for the relief of Henry Carl Mayhew—Mr. McIlraith.

Bill No. 39 for the relief of Laura Lucrezia Green Stinson—Mr. McIlraith.

Bill No. 40 for the relief of Irene Nellie Kon Simpson—Mr. Hill.

OTTAWA ELECTRIC COMPANY AND OTTAWA GAS COMPANY

Mr. G. J. McILRAITH (Ottawa West) moved the first reading of Bill No. 34 (from the senate) respecting The Ottawa Electric Company and the Ottawa Gas Company.

Hon. R. B. HANSON (Leader of the Opposition): I am not quite sure what the proper practice is with respect to the first reading of private bills which have been initiated in the senate. But it has occurred to me that perhaps in some cases, at all events, some brief explanation should be given by the sponsor, and I would invite the hon. junior member for Ottawa (Mr. McIlraith) to be good enough to do that on this occasion.

Right Hon. ERNEST LAPOINTE (Minister of Justice): I think it is the hon. member's right to ask for it.

Mr. McILRAITH: The Ottawa Electric Company is a company incorporated by act of parliament, selling and distributing electricity in the city of Ottawa. The Ottawa Gas Company is a company incorporated by act of parliament, selling and distributing gas in the city of Ottawa. The Ottawa Light, Heat and Power Company is a company incorporated by letters patent, and is the parent company of the two previously mentioned companies—

Mr. HANSON (York-Sunbury): A holding company?

Mr. McILRAITH: —holding all the stock except the qualifying shares for the directors. The act enables the two companies, the electric company and the gas company, to sell their assets to the parent company, the parent company assuming all obligations and undertakings. In other words, the subsidiary companies will be permitted to wind up their business, after having sold their assets to the parent company, and having transferred their undertakings to the parent company; it will save the consequent duplication of services and returns.

Motion agreed to and bill read the first time.

DETROIT AND WINDSOR SUBWAY COMPANY

Mr. T. F. DONNELLY (Wood Mountain—for Mr. Martin) moved the first reading of Bill No. 35 (from the senate) respecting the Detroit and Windsor Subway Company.

Hon. GROTE STIRLING (Yale): May we have an explanation?

Mr. DONNELLY: This bill has been already passed by the senate. All it does is to change the non-par stock to par stock.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BANK OF CANADA AND BANK OF INTERNATIONAL SETTLEMENTS

Mr. JAQUES:

Has the Bank of Canada any relations with the Bank of International Settlements, and, if so, what are they?

Mr. RALSTON: The Bank of Canada has no relationship with the Bank for International Settlements of the character authorized in section 22, subsection (b) of the Bank of Canada Act. Its relationship, if any, is therefore limited to business of the character authorized in section 21, subsection (1) (n) of the act.

RURAL MAIL ROUTES

Mr. GRAYDON:

1. How many rural mail routes in Canada have been opened for tender during the calendar year 1939?

2. How many were renewed during the same period?

3. What was the average mileage covered by rural mail couriers in Canada in the calendar year 1939?

4. What was the average contract price per mile per year of Canadian rural mail routes in 1939?

Mr. ILSLEY:

1. Of contracts for rural routes expiring during calendar year 1939: (a) Tenders invited on expiration of contracts, 271; (b) Tenders invited on refusals to renew, 33; (c) Tenders invited for proposed routes, 109; (d) Tenders invited where it was necessary to terminate contracts for cause (not necessarily expiring during calendar year), 33.

2. Renewals offered and accepted, 727.

3. Average length of rural mail routes as on 31st March, 1940, 21·5 miles.

4. Average contract price per mile per annum (based on six trips per week) as on 31st March, 1940, $32.05.

TORONTO POST OFFICE

Mr. CHURCH:

1. Has work on the Toronto post office again been stopped? If so, for what reason?

2. What has been spent so far on it for (a) land, (b) buildings; what work has been done and yet remains to be done?

3. What are the postal revenues for the last two years of record for Toronto?

Mr. CASGRAIN:

1. (a) Yes. (b) Due to existing conditions the continuation of this work at its present stage of completion is under consideration.

[Mr. Donnelly.]

2. (a) $287,868.79; (b) $1,064,952.66; (c) building is approximately 50 per cent completed.

3. Year 1938-39, $7,751,216.70; year 1939-40, $7,913,357.26.

MAPLE PRODUCTS

Mr. LACOMBE:

1. What was the value of maple products produced during each of the years 1938, 1939, and 1940, (a) in Canada, (b) in the province of Quebec?

2. What was the value of such products exported during the same years, (a) to the United States, (b) to the United Kingdom?

Mr. MacKINNON (Edmonton West):

1. (a) In Canada: 1938, $3,849,900; 1939, $3,433,900; (b) in the province of Quebec: 1938, $2,910,300; 1939, $2,643,200. Data for 1940 not yet available.

2. Exports of maple products to the United Kingdom and United States during the calendar years 1938 and 1939, and the period from January 1 to May 31, 1940.

	1938	1939	Jan. 1 to May 31, 1940
Maple syrup—			
U.K.:			
Gal.	3,513	3,389	1,067
$..	7,826	7,653	3,390
U.S.:			
Gal.	3,954	203,081	99,741
$..	10,465	236,269	123,961
Maple sugar—			
U.K.:			
Lb.	19,920	25,294	6,996
$..	3,587	4,294	1,363
U.S.:			
Lb.	7,441,364	7,654,980	490,572
$..	1,190,766	1,193,411	70,892

WOODSTOCK, N.B., REGIMENTAL DEPOT

Mr. HATFIELD:

1. How many soldiers of His Majesty's forces were in training at Woodstock depot, since the outbreak of war in Canada, September 2, 1939?

2. What was the number of such soldiers in each of the months of September, October, November, and December, 1939, and January, February, March and April, 1940?

Mr. POWER:

1. None—All men enlisted in depots are trained in the various training centres throughout Canada.

2. Regimental depot, Woodstock, N.B.—Training strength:—

Prior to December 2, 1939, nil; 2nd December, 1939, 93; 31st December, 1939, 146; 31st January, 1940, 84; 29th February, 1940, 156; 31st March 1940, 242; 30th April, 1940, 263.

LIVERPOOL, N.S. GOVERNMENT DREDGE

Mr. BLACK (Cumberland):

1. Has Mrs. Margaret V. Inness, Liverpool, Nova Scotia, been paid rentals, wharfage, or any allowance for wharfage, mooring or storage, of the government dredge, since 1936?
2. If so, what accounts have been rendered to the government for each year, and what payments have been made for each year?
3. Is the government continuing to use such wharf, and what further payments will the government make for same?

Mr. CARDIN:

1. Yes, for wharfage and storage of dredge No. 115.
2. (a) Accounts rendered monthly at $1.25 a day; (b) 1937, $456.25; 1938, $456.25; 1939, $456.25; 1940, $113.75 (only accounts up to March received to date).
3. (a) Yes; (b) At the same rate of $1.25 a day.

S. W. FAIRWEATHER

Mr. TUSTIN:

1. Is Mr. S. W. Fairweather, of the Canadian National Railways, presently in the service of the government?
2. If so, (a) in what department, and (b) in what capacity?
3. What are his specific duties?
4. To whom does he report?
5. What salary or emolument, if any, is being paid to him?
6. What is the duration of his engagement or employment?

Mr. HOWE: The services of Mr. S. W. Fairweather, chief of research and development, Canadian National Railways, have been loaned by the railway management to the Department of Munitions and Supply to assist in the organization of a bureau of economics in connection with that department. While so engaged, the Department of Munitions and Supply will be responsible for his out-of-pocket expenses only.

PUGWASH, N.S., HARBOUR

Mr. BLACK (Cumberland):

1. How many surveys have been made for dredging the harbour and entrance thereto, at Pugwash, Nova Scotia, and what were the dates of each survey?
2. What was the proposed depth at ordinary high tide and the width of channel for which surveys and estimates were made?
3. What was the estimated yardage of different classes of material to be removed, and the estimated unit cost of removing same?
4. What was the total estimated cost of the proposed dredging?

Mr. CARDIN:

1. Survey made in winter of 1939-40 and completed March 22, 1940. No record of previous survey since 1912.
2. (a) 27½ feet at high water neap tide; (b) 300 feet.
3. Estimated quantity 677,637 cubic yards, place measurement. No borings taken, but outcrops of rock suggest part of this quantity would be class "A." Subdivision impossible without borings.
4. Impossible to estimate cost, as amount of rock not known. Estimating on basis of all class "B" (no rock), at 45 cents per cubic yard cost would be $304,936.65.

CORN IMPORTED FOR MANUFACTURING PURPOSES

Mr. HATFIELD:

1. What quantity of corn was imported into Canada for manufacturing purposes, in the year 1939?
2. What quantity of corn was imported into Canada for other than manufacturing purposes, in the year 1939?
3. From what countries was this corn imported?
4. What was the value of these imports?

Mr. MacKINNON (Edmonton West):

Imports, by countries, of Indian corn as specified, entered for consumption in Canada during the calendar year 1939.

Item	Country	Bush.	Value
Indian corn for purposes of distillation	Br. South Africa	250,000	$ 127,813
	United States	555,396	340,286
	Totals	805,396	$ 468,099
Indian corn for manufacture of starch or cereal products	Br. South Africa	952,662	584,082
	Argentina	1,200	624
	United States	1,474,355	820,082
	Totals	2,428,217	$1,404,788
Indian corn, n.o.p.	Br. South Africa	3,480,296	1,992,645
	Argentina	18,719	9,262
	United States	1,132,364	696,680
	Totals	4,631,379	$2,698,587

NITRATE OF SODA IMPORTS

Mr. HATFIELD:

1. What quantity of nitrate of soda was imported into Canada during the last sixteen months?

2. From what countries was this soda imported?

3. What quantity was shipped to Canadian ports?

4. What quantity was shipped to United States ports?

5. What was the value of such nitrate of soda shipped into Canada?

Mr. MacKINNON (Edmonton West):

3 and 4. Not available.

1, 2 and 5. Imports by countries, of nitrate of soda entered for consumption in Canada, during the period from January 1st, 1939, to April 30th, 1940.

Country	Cwt.	Value
United Kingdom	180	$ 688
Belgium	551	2,488
Chile	206,557	304,000
Germany	324	625
United States	785,719	1,127,761
Totals	993,331	$1,435,562

QUESTIONS PASSED AS ORDERS FOR RETURNS

MARITIME WINTER FAIR COMMISSION

Mr. BLACK (Cumberland):

1. What were the total expenditures made by the government in the fiscal year ending March 31, 1940, on the military barracks on property of the maritime winter fair commission, Amherst, Nova Scotia, for (a) additions and repairs to buildings, (b) heating and plumbing, (c) equipment and furnishings, (d) rental, (e) total of all such expenditures whether included in (a), (b), (c) and (d), or not?

2. Were such expenditures made after tenders were called and contracts let? If so, who tendered for any or all of the work done and what was the amount of each such tender, which tenders were accepted, and what amounts were actually payable under the resulting contracts?

3. If such expenditures were not incurred by tender, to what individuals or firms were orders given for materials and/or labour in connection with the said work, what were the particulars, and amounts payable to each such individual or firm?

SAWYER-MASSEY LIMITED

Mr. AYLESWORTH:

1. Has the government purchased, or does it intend to purchase, the property of Sawyer-Massey, Limited, in Hamilton?

2. If it has been purchased, what was the price paid, and for what purpose is it intended that the building shall be used?

[Mr. J. A. MacKinnon.]

CRUDE OIL AND GASOLINE IMPORTS

Mr. BLACKMORE:

1. How much crude oil, and how much gasoline was imported from the United States and also from other countries into Canada during May?

2. Has the defence minister or any one in his department made arrangements for western refineries to install the necessary machinery for processing high octane gasoline from Turner Valley crude oil for use in the planes of the air training scheme in western Canada instead of having to transport it from refineries in Ontario or import it from other countries?

SEPARATION ALLOWANCE

Mr. COCKERAM:

1. What monthly separation allowance is paid to the wife of a member of the C.A.S.F.?

2. What allowance, if any, is paid to the wife of an interned alien enemy?

Mr. HANSON (York-Sunbury): Why should this be an order for return?

Mr. POWER: Because two departments are involved.

COMMONWEALTH AIR TRAINING PLAN

Mr. PERLEY:

1. Has the government decided to establish an airport at or near the city of Moose Jaw, Saskatchewan?

2. If so, is such airport a part of the commonwealth air training scheme?

3. When did the government arrive at the decision to establish the airfield?

4. Were any representations made either in writing or by delegations to the government or any department thereof since March 26, 1940, with respect to establishing an airport for commonwealth air training scheme at Moose Jaw?

5. If so, to what department or to what ministers were such representations made?

REGINA AIRPORT

Mr. PERLEY:

1. What extensions, if any, have been decided upon with respect to the Regina airport?

2. Have tenders been called for any of such work? If so, what are the names of persons, firms or corporations tendering, and the amount of tender for each piece of work?

3. Was the contract let in each case to the lowest tenderer?

4. Is there any provision in the contracts or any of them for payment of fair wages?

5. Is there any provision in the contract in each case for giving preference in employment, (a) to returned soldiers, and (b) to men on relief?

6. Is there any provision in the contract or any of them forbidding the employment of aliens?

AIRPORT SITES IN SASKATCHEWAN

Mr. PERLEY:

1. What airport sites, if any, have been acquired in Saskatchewan since April 1, 1939?

2. What airports, if any, in Saskatchewan, have been extended in area since April, 1939?

3. In each case, from whom was the necessary land acquired?

4. How many acres of land have been acquired from each individual in each case?

5. What sum of money has been paid, or agreed to be paid, to each individual in each case?

6. Are there any cases where possession has been taken of land before payment or before the cost of the land has been agreed upon or otherwise determined? If so, what are the details?

GOVERNMENT FLOOR SPACE RENTALS IN TORONTO

Mr. CHURCH:

What rentals per annum for real estate or floor space are being paid by federal departments or federal commissions, or for war purposes or national defence in the city of Toronto?

LEWIS DUNCAN, K.C.

Mr. TUSTIN:

1. Is Lewis Duncan, K.C., presently in the employ of the dominion government?

2. If so, (a) in what department, and (b) in what capacity?

3. What salary or emolument is being paid to him?

4. For what period has he been engaged?

5. What are his specific duties?

PRAIRIE FARM REHABILITATION ACT

Mr. DOUGLAS (Weyburn):

1. How many projects have been approved under the Prairie Farm Rehabilitation Act for the fiscal year ending March 31, 1940, and what is the total amount of these projects?

2. How many of these have been passed for payment, and what is the total amount?

3. How many of these have received payment, and what is the total amount?

4. How many of these accounts were still owing on March 31, 1939?

5. What is the total amount owing?

MOTIONS FOR PAPERS

HIGHLAND NATIONAL PARK, CAPE BRETON

Mr. BLACK (Cumberland):

For a return showing all contracts in connection with the Highland national park, Cape Breton, Nova Scotia, giving the following particulars: (a) list of tenderers, and the amount of each tender; (b) the tenderers to whom the contracts were awarded; (c) amounts paid to contractors; (d) total expenditures for (1) construction and maintenance of said park, and (2) maintenance, for the fiscal years ending March 31, 1939, and 1940.

Motion stands.

PRAIRIE FARM ASSISTANCE ACT

Mr. CASTLEDEN:

For a return showing: (a) list of all the townships in Saskatchewan which qualified under the national emergency clause of the Prairie Farm Assistance Act; (b) a list showing the townships in the said province which qualified under the crop failure clause of the Prairie Farm Assistance Act, and (c) a list of the names of all individuals who have received acreage bonus on land other than in the townships listed, with a legal description of such land.

MOOSE JAW AIR TRAINING DEPOT

Mr. PERLEY:

For a copy of all letters, correspondence, contracts and other documents in the possession of the government, dated from September 1, 1939, to date, in connection with the establishing of an airport and air training depot at or near Moose Jaw, Saskatchewan.

ROBERT SCOBEY

Mr. BLACK (Cumberland):

For a return showing all expenditures in 1936, 1937, 1938, and 1939, at Western Head breakwater, in Queens-Lunenburg, where Robert Scobey was employed, stating the sums paid him for services and expenses, and including a copy of payrolls, accounts and other disbursements for each year, in connection therewith.

UNEMPLOYMENT RELIEF AND AGRICULTURAL AID—SASKATCHEWAN

Mr. WRIGHT:

For a copy of all correspondence, letters, telegrams and other documents passing between the dominion government and the provincial government of Saskatchewan, relating to unemployment relief and agricultural aid for the fiscal year beginning April 1, 1940.

PRAIRIE FARM ASSISTANCE ACT

Mr. HANSELL:

For a copy of all affidavits sent in under the Prairie Farm Assistance Act from farmers in townships 10 and 11, range 27, west of the 4th meridian, and received by the Department of Agriculture, showing the amount of wheat raised in that area.

GRONDINES, QUE., RURAL MAIL CONTRACT

Mr. ROY:

For a copy of all correspondence, letters, telegrams, contracts and other documents in the possession of the Post Office Department, relating to the cancellation, last year, of Mr. Herve Girard's contract for the carrying of mail on rural route No. 1, Grondines, Portneuf county, and the appointment of his successor.

STE-MARTHE, QUE., WHARF

Mr. ROY:

For a copy of all correspondence, letters, telegrams, contracts, instructions and other documents in connection with improvement works made to the wharf at Ste-Marthe, Gaspé county, in the year 1939, together with a list showing (a) the names of all persons employed on said project and amounts paid to each, and (b) materials supplied and prices paid.

TIGNISH, P.E.I., POSTMASTERSHIP

Mr. MacKINNON (Kootenay East):

For a copy of all letters, telegrams, memoranda and other documents subsequent to March 31, 1937, with reference to the position of postmaster at Tignish, Prince Edward Island.

AGRICULTURAL PRODUCTS

MEASURE TO PROVIDE FOR AGREEMENTS WITH CO-OPERATIVE ASSOCIATIONS AND PROCESSORS

Hon. J. G. GARDINER (Minister of Agriculture) moved the third reading of Bill No. 24, to amend the Agricultural Products Cooperative Marketing Act, 1939.

Motion agreed to and bill read the third time and passed.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—UNDERTAKINGS IN GENERAL INTEREST AND FINANCIAL ASSISTANCE TO PROVINCES

The house resumed from Thursday, June 13, consideration in committee of the following resolution—Mr. McLarty—Mr. Fournier (Hull) in the chair:

That it is expedient to bring in a measure to provide assistance in the alleviation of unemployment and agricultural distress out of moneys appropriated by parliament, and for such purpose to supplement the measures taken by the provinces towards providing assistance to those in need, establishing unemployed persons in employment and training and fitting suitable persons for productive occupation, and also to provide financial assistance to the provinces by way of loan, advance or guarantees out of unappropriated moneys in the consolidated revenue fund, and for the appointment of necessary officers, clerks and employees.

Mr. T. C. DOUGLAS (Weyburn): When this matter was under discussion the other evening I was asking a question of the Minister of Labour (Mr. McLarty). I was drawing to his attention the fact that all over the province of Saskatchewan relief recipients were being informed by municipal officers that on instructions from the government of Saskatchewan it was necessary to reduce relief grants owing to information having been received from Ottawa to the effect that relief grants to the provinces would be reduced. Whatever the technicalities may be, the fact remains that relief grants have been reduced. I believe almost all hon. members from Saskatchewan will bear me out in that statement. Relief grants have been cut.

Mr. McLARTY: I am sure my hon. friend does not suggest that we have cut, or placed on any different basis, the percentage of any grants we are making to the provinces.

Mr. DOUGLAS (Weyburn): I will come to that in a moment. I am pointing out first that the relief grants have been cut, that the relief recipients have had cuts in May varying from 20 to 33⅓ per cent. It has been intimated to them that in June the cuts will be even larger. It is stated again and again that the reason for these reductions is that the grant to the province from the federal government will be reduced. Has any information been given by the federal government to the province of Saskatchewan that would warrant these reductions? Has anything been said; has there been any correspondence or intimation otherwise given that would lead the provincial government to believe that the federal government has in mind a reduction of this grant?

Mr. McLARTY: I hope to have an opportunity to make a statement in the course of the debate this afternoon. I wonder if it would be satisfactory to the hon. member for Weyburn if I dealt with the matter at that time.

Mr. DOUGLAS (Weyburn): Later this afternoon?

Mr. McLARTY: I hope so, if I get the opportunity.

Mr. KARL K. HOMUTH (Waterloo South): I had hoped that before this debate closed—because when the minister gets up to speak it means the closing of the debate—we should get some statement from him. He has had suggestions from all corners of the house as to what hon. members in all parties think should be done in regard to unemployment and farm relief. The hon. member for Winnipeg South Centre (Mr. Maybank) suggested that relief should not be given unless some work were done in return. The hon. member for Swift Current (Mr. Graham), suggested that there are in Saskatchewan many unemployed mechanics who might be moved into the industrial sections of the country and employed in industry. A great number of suggestions have been made. This resolution has been discussed for hours and hours. Every hon. member in this committee feels that if we have unemployment and farm

distress these people should be looked after, but we feel also that at a time like this we should be discussing not so much the question of relief as the question of getting people to work. In view of the crisis we are facing to-day, there should not be an unemployed man in the Dominion of Canada.

The bill is ready and when this resolution carries it will be introduced—undoubtedly the same old bill. Are we to travel again the same old trail that we have been travelling for years, or are we going to blaze a new trail, with new ideas, in the light of the knowledge of what has happened in the past? Has the minister any new suggestions as to what should be done? His should be the busiest department of this government, giving leadership from one end of this country to the other, but so far it has not done so.

I am saying this not in a spirit of criticism but because I know something of conditions in both the industrial and the rural areas of this country. The Prime Minister has a tremendous task. He has a big job to do. He cannot give leadership in every department of the government, but I do not hesitate to say that some of the members of his cabinet are not giving the leadership they ought to be giving at a time like this. The people look to the members of the cabinet for leadership in a great many of these matters. Is there to be a different policy from that which has been followed in the past? If the bill is the same, will the administration be any different, or just what will be the policy?

I feel that throughout this crisis, particularly, there has not been the cooperation between the various departments of government that there should have been. There has not been the coordination of effort that is necessary in peace time and particularly necessary in a time of war. For instance, here is the Minister of Trade and Commerce with hundreds of millions of bushels of wheat he does not know what to do with; yet the Minister of Agriculture and the rest of the cabinet permitted the importation of nearly 50,000,000 pounds of pork. What consumption of grain would be represented in the production of that quantity of pork? How much United States pork was used to feed our own armies while we were putting pork in cold storage in this country? Every time we buy a dollar's worth of luxuries in the United States we are sending money to that country that we should keep here for the purchase of war materials and for other war purposes. We should conserve every possible United States dollar.

It is necessary that these things be done, to enable us to put forward our maximum war effort and also to alleviate some of the distress that exists in this country. I believe, and I think others hold the same view, that the only way we can properly handle the labour situation in Canada is to have national registration. The Minister of Labour, of all the members of the government, ought to be pressing for national registration. We are recruiting men from all over the country. These men are not being asked what they were doing or what job they had. The mechanics who are sorely needed in our industry to-day, and who will be needed much more in the next few months, are enlisting in the army when as a matter of fact they would be far more valuable in industry. Does the minister know whether or not mechanics are enlisting? If he does not know he should. If he does not know is it because he does not care? Everything we do must be associated with our war effort. With a national registration we would know where to place to the best advantage the men who sign up for service. Do not be surprised if in a short time industry in this country is placed directly under the control of the government, together with everyone engaged in industry. Let us prepare for that to-day, not next week or next month or the month after that.

These things must be done. Much as I dislike the word I must say there has been too much complacency in connection with our war effort. I doubt if we are taking the measures or using the care required in this situation. There has been no organization of industry in Canada. Industry has not been given the opportunity of employing people and producing the things that will be of such vital importance before many weeks have gone by. Within the next few weeks tens of thousands of school children from fourteen to twenty years of age will begin their summer holidays. What are we going to do with them? They are all willing to do something if leadership is given. The Red Cross will require ten times or perhaps fifty times the supplies that they require to-day. Why cannot these girls coming out of school be organized under some leadership emanating from this government in order that they may play the part they want to play? Thousands of teachers are going to be free for the next two and a half months. In Ontario alone there are some six or eight thousand teachers. I spoke to a number of them over the week-end and asked, "Will you be willing to do something during your holidays?" They all replied that they would be only too glad to do something. They are trained to handle and organize children. Let us take advantage of their services; let us make use of these

tremendous resources which as yet we have not touched. Let these school girls go out and do the work they should be doing so that we may be ready when we need bandages and the other things supplied by the Red Cross. Year after year during the depression we saw tons of fruit and vegetables rotting in the fields and on the trees, while at the same time we were bringing into this country millions of dollars' worth of fruits and vegetables, particularly citrus fruits. Why cannot the school boys from fourteen to twenty years of age be organized to go out on our farms and see that not one bit of food is wasted this year? We do not know how many refugees we may have to feed in this country, or to what extent we may have to help feed the people overseas.

I feel that we are losing an opportunity, that we are wasting time from day to day. We are not doing the things that ought to be done. The people have not become jittery because of the war news, bad though it may be. The trouble is that they stand helplessly by feeling that they are not being given an opportunity to help. They would feel much better if, under some leadership, they could be given a job to do, no matter how menial or how technical it might be. We can find men and women in this country able to do anything that requires to be done in Canada. They want leadership; they want to do their part. We speak of unemployables. I have checked over the list of unemployables in my district, and I say that eighty per cent of them could do something to further our war effort. Somewhere in industry they could relieve some one who might do a better job elsewhere.

I plead with the minister to give this leadership, because I know the temper of the people of this country; I know how anxious they are to do something, and I know how necessary it is going to be that we do these things. Let us get off the old trail; let us blaze a new trail and give some leadership so that the men and women of Canada may be able to do something worth while not only in the defence of Canada but also in the safeguarding of this empire. They want to do it. Give them the leadership, and they are prepared to do it. I hope the minister will be able to tell the House of Commons and the people of Canada that he has some new ideas and that he is going to do things differently from the way they have been done in the past. I am not blaming him about the past. The past is the past. We have got to look now to the future, and I hope the minister will be able to show us some way in which we may take advantage of the services of every man, woman and child in Canada who is fit to do something worth while in this war effort.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Chairman, this is my maiden speech in the House of Commons, and the occasion is unique in that I believe it is the first day hon. members have not read their speeches. I am not going to read mine, either; and if I am speaking out of turn it is because I do not want to fall into the practice of my Ontario friends who read every word they say.

I think I know something about unemployment. I am the reeve of a municipality in British Columbia, and I know something about the troubles of the unemployed. I am hoping the Minister of Labour (Mr. McLarty) the representative of the government in connection with the resolution now under consideration—a government, by the way, which I have supported and intend to support—will pay a slight bit of attention to what I have to say.

Possibly there are other hon. members in the house who happen to be reeves of municipalities, and they will understand my point of view when I speak as a reeve from British Columbia. I do know something about conditions prevailing in that province. I did not want to make a speech, and I am quite well aware of the fact that if all I wanted was to be elected four years from now I might have read a somewhat different speech, like hon. members from Ontario. But I am not worrying about being elected four years from now. My particular concern is what is going to happen now, to-morrow or the next day.

I am not the least bit worried about the observations of some of my hon. friends. I come from a province in which activities in war industries—I speak only of British Columbia—have not made the least impression on our relief rolls.

In British Columbia we have been proud to receive people from Saskatchewan who were driven out of the burned-out areas. We realize that these people had to leave the areas in which they had been living. We realize that they had to come into our district. We know that they had to be looked after, and that school and hospital accommodation had to be provided for them. Relief had to be handed out to them. As a supporter of this government—and I am proud to be a supporter of the government—I say that the urgency of relief conditions in Canada, and particularly in British Columbia, has not yet been realized. I make that statement sincerely,

because I happen to know about relief conditions in British Columbia. I know that eighty per cent of the farms in British Columbia are heavily mortgaged. I happen to know that half the municipalities of that province are on the verge of bankruptcy. But apparently this government does not yet realize these facts. It must realize them sooner or later. It must realize that the old policy of sound money is not sufficient. When I say that I admit frankly that I know nothing about sound money. I know nothing about finance. I come from a dairy farm, and I ask any hon. member from Ontario or Quebec, how can a dairy farmer, who never had any money, know anything about finance?

If the government thinks it can continue with the old policy of sound finance and sound money, then I say the government has to wake up to the fact that there is a war on, that Hitler has already conquered France, and God knows what he will conquer next if we do not wake up to the fact that we are in danger.

Mr. MacNICOL: He won't conquer England, anyway.

Mr. CRUICKSHANK: I have been a reeve in a municipality of British Columbia for the last ten years, and I believe I know what I am talking about. I say that we cannot hope to continue in western Canada, and particularly in British Columbia, unless we have an adjustment of taxation. The only source of adjustment we can have is with the dominion government, and I trust that the government will take that point into consideration.

I am a new member, and I may be speaking out of order, but all hon. members have spoken out of order long before now; they have been reading speeches somebody else wrote for them. Nobody wrote mine.

The farmers of the constituency of Fraser Valley, and those in other parts of British Columbia are in a similar position, are selling either at or below the cost of production. They have been doing that for the last eight years, and it is a condition which cannot be continued. A few days ago the estimates for the Department of Agriculture were before a committee of the house. I am sorry to say that only twenty-seven members of the party supporting the administration—I counted them—were present when the estimates for that Department were up for discussion.

Mr. HANSON (York-Sunbury): Shame!

Mr. HARRIS (Danforth): Shame!

Mr. STIRLING: Shame!

Mr. CRUICKSHANK: Mr. Chairman, we will not lose the war, but, win, lose or draw, Canada must be and always will be an exporting nation. Despite that fact, only twenty-seven members of the party to which I have the privilege of belonging were present when the estimates for the Department of Agriculture were before the committee. I was ashamed of my party and of the opposition, and I want to speak freely.

I know industrial Ontario. I did not intend to rise in my place and make a speech, but I have received letters of criticism from my constituency. I am going to take hon. members into my confidence because I have never been accused, like the leader of the opposition, of having nothing to say. In my own riding I have been accused of having too much to say. I joined the army on August 9, 1914, and went to the last war. When I returned I thought that as a returned soldier I could contribute something to the future of Canada, and as a farmer from a farming constituency I still believe that I have a contribution to make. I came back to Ottawa believing honestly that my contribution would be less if I talked too much than if I kept quiet. But then I began to discover that some hon. members wanted to talk; they wanted to read speeches into *Hansard* so that their constituents might see them.

I want to be elected four years from now, but I am prepared to go back to my constituency and say to my people, "If I cannot contribute something to the welfare of Canada, and in particular to the welfare of the people in the constituency of Fraser Valley, I would prefer to be left at home." I believe that in this house there have been too many cases of the pot calling the kettle black.

My experience as the reeve of a municipality has shown me much that may not have been disclosed to other people. I know that in municipalities throughout that province there are hungry women and children, yet we are given the old poppycock that we cannot find money. Of course we can have $700,000,000 to carry on a war; I believe we could find $1,700,000,000, and must do so, if necessary, to win the war. But hon. members are not going to get away with it very long if they accept the old story about sound money, and the story that we cannot have money to put men and women to work, although there seems to be plenty of it to fight a war.

In British Columbia ten months ago they put boys into Okalla, a prison in our province, because they could not find work. I do not want to criticize my party, the government or anybody else, but I do want to contribute

to winning this war. I ask the powers that be, what will be the good of sound money if we lose the war? Let us get on with the war and win it, and let us have less of this poppycock on each side of the house from hon. members trying to get on *Hansard*. Let us make a real record that we can look back on with pride four or five years from now.

Mr. R. W. MAYHEW (Victoria, B.C.): I realize that at the moment the most precious thing we have is time, and I feel I should apologize for rising to say anything on this resolution. I would apologize not to the members of this committee but to the men who are fighting our battles for us in other places and under much more difficult circumstances. Nevertheless the unemployment problem in this country is second only to the fighting in which we are now engaged; unemployment in Canada does affect those who are fighting our battles overseas and will probably affect them when they return. On that ground, and on that ground alone, are we justified in debating this resolution to the extent we have done so far.

I congratulate the government upon the efforts they made last year towards the relief of unemployment, or at least upon establishing a basis from which unemployment might be to some extent remedied. I am supporting the resolution because I believe the lack of definiteness in it is really its strength; it gives us scope to meet any emergency that may arise, and I am sure all hon. members will agree that in these days we are likely at any time to be confronted by emergencies.

I have referred to the foundation upon which the government based its unemployment relief. The youth training plan, for example, has been of great benefit to us, but it has not gone far enough. I suggest to the minister that this policy, together with some others that I shall mention, be continued. I do not know of anything that is more important to-day than the proper training of youth to fit them to take employment in Canada. I was surprised to hear the hon. member for St. Lawrence-St. George (Mr. Claxton) say in his address the other day that only about one hundred students had graduated from the technical school in Montreal. I am sure you could number in the thousands those who have graduated from the universities and colleges of that same city. These figures indicate to us the necessity of training men to use their hands so that they will be fit to take employment in the shops, in the industries and on the farms. It indicates also that the numbers qualified for this kind of work are away out of balance with the numbers of men trained in the classics and in the professions. Therefore I think this work of youth training should be carried on.

In my first speech in this house I suggested that young men who are unable to find suitable employment after leaving school might be given the opportunity of going into the army, the navy or the air force, or to farm training schools which might be established throughout Canada. Had that plan been adopted we would not be as short of trained mechanics as we are to-day to do the jobs that are needed to be done in Canada at this time, nor would we be hampered in our agricultural efforts for lack of trained and experienced men. But it is never too late to start, although valuable time may have been lost, and if our young men were trained in vocational work, in the army, the navy or the air force, and underwent the discipline they would get in those forces, provided enrolment was on a voluntary basis, the results would be beneficial to the youths themselves and ultimately to Canada as a whole.

May I suggest to the minister a plan that will help to some extent at least. Several afternoons I sat in recruiting offices in my own city and watched the boys come in to enlist. I found they had the necessary qualifications to pass the sergeant at the desk, but when they went up for examination by the doctor many of them were turned down as medically unfit—for the simple reason that during the past few years they had not had proper food or proper training, and most of them had had practically no work to do. Boys six feet and over, weighing 135 pounds, were turned down. I suggest to the minister that these boys be put in a camp where they would be under proper supervision, where they would be given exercise and work to do, and where above all they would be given adequate food so that they might be brought back to good physical condition. They might be given say twenty-five cents a day. If they are not made fit for the army, they will at least have received training and nourishment to enable them to take their part in industry and relieve others for the great task that is before us in this war.

There is another plan which the government followed and which I think should be continued. The government has spent money on mining trails opening up large territories and developing new wealth for this country.

I hope the home improvement plan and the national housing scheme will also be continued. These two plans have created work for men in the bush and in almost every industry in every part of Canada, and in addition they

have contributed greatly to our home life, which is after all the cornerstone of this nation. The housing scheme fund has grown rapidly and has now reached the stage where it is practically a revolving loan requiring very little expenditure to carry it on. Let us hope that the minister will urge upon the Minister of Finance that this scheme be kept alive. I believe that it could be continued almost indefinitely to the great advantage of Canada. May I suggest also how the scheme might be extended?

It has often been stated in the house that Canada is an exporting country. There is only one way that we can avoid being an exporting country,—and we have not arrived at that stage yet,—namely, to bring in enough people from the old land who now stand in danger of being bombed to death, to eat our surplus wheat and fruit, to live in houses built with our surplus lumber, and to occupy our plains and our hills for the benefit of Canada and the perpetuation of the British empire. At the moment, however, we must regard Canada as it is to-day and face conditions as we see them at the present time. For years practically all the material we have sold to foreign countries has been transported in ships carrying foreign flags. There is one company with offices in Vancouver which has as many as eighty vessels under charter at one time, all of them flying foreign flags. We spend large sums of money each year for services of this nature. Norway, Denmark, Sweden and Finland built up large mercantile fleets during the last war, and the result of their operation was that the Scandinavian countries changed their standing from that of debtor to that of creditor nations.

We Canadians are largely responsible for that condition, because our lumber and wheat and manufactures have been carried very largely in their boats. I think this is the time when we might ask the government to build at least fifty merchant ships of approximately 10,000 tons each at a cost of about fifty million dollars. I would not suggest that we repeat the mistake we made during the last war, when the ships were operated by the government. But these ships could be, in my opinion, chartered to private concerns, and the money received from them would make the expenditure on the mercantile marine as much of a perpetual and revolving loan as is our national housing scheme. I am told that before the war, if not now, chartering ships cost Canada a million dollars a day. In asking the government to set aside about fifty million dollars to build these boats, I maintain that the result will be not only to increase our business, but to lay the cornerstone of a Canadian merchant marine. Our young men will be employed in building the ships in Canada and in manning them after they are built, so that our expenditures will be confined to our own people.

I do not know whether it is customary in this house to tell stories, but I am going to tell one to illustrate the point I am making, or rather to differentiate a little from the previous speaker. A darky was going down a street in Detroit. He was fairly well-dressed, at least his clothes looked pressed and clean. A friend of his came along and said, "Rastus, that's a nice suit of clothes." Rastus said, "Yes, they are nice clothes. It is very funny about them. The wool in these clothes was grown in Australia. It was brought over the Pacific and across Canada and taken to England, where it was made into cloth. The cloth went to Boston, and from Boston to my tailor in Chicago, who made this suit of clothes. The clothes are pretty well worn out; but the funny part of it all is, all them guys has made a living off it and I haven't paid for the suit yet." Well, we can build our boats in somewhat the same way, but I believe the boats will eventually pay for themselves.

I hope the minister will look carefully into the law relating to restraint of trade, something which in my opinion never accomplished and never can accomplish the purpose for which it was intended. Instead of protecting the public it is doing the exact opposite. I would ask the minister to find out how many companies in Canada were manufacturing, how many men they were employing, and what was the amount of their capital at the time the act came into force, and also what are the comparable figures at the present time. He will find, I believe, that in all these respects there has been a great shrinkage. As a result we have a large concentration of industry in one or two places, but very few industries scattered through other areas of Canada. From my experience in industry, things work this way. An ambitious young fellow will collect sufficient cash to start in a small way in an industry, and will put his merchandise on the market at the prevailing price, but the representative of a large industry will come along and say, "We do not wish to be disturbed. Our price on our product is now twenty per cent lower than it was." If that is not sufficient for the purpose, it will be reduced twenty-five or thirty per cent. Eventually the small man's enterprise is swallowed up by the big one; he has to capitulate and get out of the market. That sort of thing is going on the whole time. Its effect is not to protect the consumer but to discourage miscellaneous manufacture throughout Canada. This is not the place, nor do I wish to take the time to

do more than make a reference to this matter. At some later time I shall hope to say more about it. But, as one who knows something about the making of at least some products, I hold that the condition to which I refer is a decided detriment to the small man who is trying to get into the manufacturing business; it tends to curtail employment or confine it to one or two districts, with the result that unemployment is likewise concentrated, and our slums are created.

Just one other thought in connection with industry. It seems to me that our great cities are altogether too grasping for their own good in trying to attract industries to their own localities. There is nothing to hinder these industries from scattering to the full extent of the railroad facilities which now span Canada from coast to coast. Factories could be erected out in the open where there is lots of room for men to work, on three or four or five acre plots, instead of twenty-five foot lots. Large industries might be encouraged to move into larger quarters, to the benefit of their employees, and, I believe, of industry as well.

Let me close with this thought, which is also a hope. I trust that from now on the Minister of Labour will have his task greatly enlarged. I should like to see millions of our British children coming to Canada right away. I know that such a scheme would involve some hardship, and some obligations, but let us not stop to find out the ways and means of financing it. Let us do it. Be human first, and in being so perpetuate the British empire.

Mr. J. K. BLAIR (Wellington North): I have enjoyed listening to my hon. friend (Mr. Mayhew). The urbanizing of our industries has been accomplished in many ways. They centralize too much. In the larger cities the companies have special privileges from the railways and the rates they enjoy are much lower than those to the smaller towns and villages, but the greatest factor in the urbanizing of the industries is the Patent Act. The former member for St. Lawrence-St. George, Mr. Cahan, has left me extremely indebted to him. Although he was a bitter Conservative I did want to see him returned to the house because one service he rendered the country was the speech he made in connection with that act. A former Liberal member, Mr. Charles Bothwell, also discussed that act. If you wish to do anything for agriculture, then I suggest that you should lift the burden of that act off the industry. If you could relieve farm implements from the burden of the Patent Act it would be a godsend to the farmers of Canada.

[Mr. Mayhew.]

Western farmers have talked until I am tired of listening to them. They have maintained that the reduction in the price of farm implements could be brought about by a reduction in tariffs, but they seem to forget that our companies are simply the subsidiaries of United States concerns and the thing is all concocted. We hear members of the Conservative party talking about the seriousness of trade with the United States, but in what way would it help us if we cut off that trade? I do not blame those members who have come here recently. The hon. member for Waterloo South (Mr. Homuth) cannot be blamed, because he has not had the experience of old Conservatives who served under the Bennett government when they pretty nearly wrecked the country financially by cutting off imports. Surely they ought to see the folly of that old idea of no truck or trade with the Yankees.

Mr. MacNICOL: We are fighting a war now.

Mr. BLAIR: I know, and the way to fight a war if you are not a soldier is to attend to your duty at home. Your business is to do the duty that lies in your path. We must not cut off our trade, and if anyone says anything about trade with the United States at this particular time he is extremely indiscreet and foolish. The friendlier we are with the United States to-day the better it will be for us. I am a true Britisher, every drop of blood in me is British, and I have the instincts and spirit of the British; they are as strong in me as in any man in this house. Indeed, if it were not for my age I would be in this war. But while I am a Britisher I suggest that it behooves us to remain friendly with the United States.

I was discussing the Patent Act, and I suggested that it would be a great relief to the farmers if that burden were removed from agriculture. Western farmers, it seems to me, have two fundamental ideas; the first is that there should be a great reduction in taxation and the second is that there should be a great increase in relief. But these two ideas are irreconcilable. Who will fill in the gap if there is a great reduction in taxation and at the same time an increase in relief? They look at us, however, and suggest that this is the place where the Ontario farmers can step in. They can fill in the gap. Well, the Ontario farmer is tired of listening to that sort of speech, and I say to western farmers, "The time has come when, if you cannot live in the west, you had better get out. If you are dried out year after year, get out and go somewhere where you can live."

An hon. MEMBER: Go where?

Mr. BLAIR: The people are starved out year after year; well, they cannot get along there. We have some of them in our country. There is often necessity for a little introspection when you get these conditions. We are not in a position to do too much hoeing and gardening for the other fellow. In my constituency the farmers are reduced to such a state that they feel now that the burden of others should not be placed upon them. They are perfectly willing to carry their own burdens and would be ashamed to ask for relief or help in any way, and they resent too much charity being given to the other fellow. They deeply resent the urbanizing of industry. In our constituency we are trying to set up a few factories in different parts, but what happens? We try making binders in a place like Orangeville and the representative of some large factory in Toronto comes along and stops us because of the Patent Act. We have tried our enterprise in a dozen different ways recently but there is always some inspector, usually a lawyer, who comes and wants to see what we are making. We could not make a wheelbarrow in the county without an inspector coming to see what we are doing.

The sooner the Patent Act is abolished the better. I do not believe in fires, but I do wish there were a good fire in the Patent office in Ottawa. There are thousands of patents shoved away in pigeon holes—patents that were never intended to be used. If my friend who represents one of these companies were present I would name some of them, but owing to his absence I will not do so. But there are thousands of patents stuck in pigeon holes never intended to be used. We want someone to go there and pull them out. What are they there for? Simply to block industry. That is their sole purpose. One of the greatest disgraces in Canada was the Copyright Act. Why, at concerts we could not play tunes that our grandfathers played without paying a tariff to the company. We were fortunate in having a blind man to lead us. He told the truth about the matter. The Copyright Act is one of the worst things we have ever had to put up with, and it was a blessing that someone showed us the path to follow. He was a Conservative, but I am indebted to him nevertheless. We will forget that he was a Conservative, because there are some redeeming features in everything. There is the odd Conservative who is worth while and I must congratulate the leader of the opposition on his great common sense. I watched him years ago when, in his palmy days, he was not so quiet. He was more buoyant then. But I would not be surprised if he had a refining influence upon some of the fellows here. Certainly it is badly needed.

I must congratulate our own government upon doing extremely well. They can just ignore a lot of these speeches, ignore the cries of poverty, and try to get the different provinces to stand on their own feet and realize that this is not exclusively a federal problem. Surely the support of our own homes is first our own responsibility; then it might eventually come here; but what right have they to bring all those stages to this parliament? Why not go on to the British empire; why not go to London and ask them to finance us? But no; there is the absurd idea of coming to this parliament and saying: I must get the farmers of Ontario to hoe potatoes for me, to grow wheat for me, to sell cattle and send the money out west. We are getting a little tired of it, a little sick of it; our farmers are resenting it. They are good natured, but that has gone on year after year and the time has come when we do not want to hear too many speeches of that kind here. I hope the minister will pay very little attention to many of them.

I hope that anything that is said about interfering with trade and commerce with the United States or any other country will be entirely ignored. The money we have received from the United States for cattle shipped there has been a very substantial help to the farmers, yet hon. members talk about a few cabbages shipped in here or a few early onions or strawberries. These things do not count, considering the advantages we receive from our trade with the United States.

Mr. MacNICOL: What we want from them now is guns and bullets.

Mr. BLAIR: Their trade means much to Canada. I have always appreciated our friendly relations with the United States, but if ever there was a time when we needed them it is now, we should do all we can to maintain their friendship. I hope, therefore, that the minister will not listen too seriously to some of the speeches made here. It is extremely hard to sit in one's place at times and listen to some of them presenting fallacies.

Mr. F. C. CASSELMAN (Edmonton East): It is with diffidence that I rise to speak for the first time in this house. This debate has been in progress since May 30. I have listened with intense interest to the suggestions which have come from all parts of the chamber. I try to imagine myself in the place of the Minister of Labour, try to judge what there may be of value to help him in his difficult task of framing legislation to deal with this

urgent problem of unemployment. With all our war effort it is a problem which yet remains unsolved. But it will be of intense importance to this country once the war is won, the war industries fold up and the fighting men come back to their jobs. I hate to think of that time unless some progressive, sensible and earnest efforts are made to deal with this whole subject. I come from an entirely urban constituency, where unemployment is a matter of very considerable moment. I can appreciate the picture drawn by the hon. member for North Battleford (Mrs. Nielsen), because we have in our city many people such as those of whom she spoke, people who were driven into the city because they could no longer endure the conditions prevailing in the country.

I was sent down here by my constituents for two purposes, as I conceive it, the first and foremost being to do all in my power to get on with this war and get it won. As one who took part in the last war, it goes against my grain to hear such remarks as that made by an hon. member who recently spoke of "win, lose or draw." I stand here to say that if I correctly interpret the spirit of the people of all parts of Canada in the light of the recent reverses there is no question with them of lose or draw; we are going to win this war, and I do not mean maybe. The news is bad, but the worse it gets the more the real bulldog spirit of the Anglo-Saxon and French races will rise—and I do not confine it to those two races; I pay tribute to the others within our borders. We are going to win this war, but it is going to be a long and tough struggle.

The second thing I was sent down here for, if I understand what my constituents meant in the last election, was to do all in my power to cure or improve the unbalanced economic conditions of which this matter of unemployment is the external evidence. To my mind unemployment is a cancer, and a very serious one, in our economic body. Unless we diagnose it correctly and apply the proper remedy it is going to be a very serious threat to our economic life, particularly after the war is won—I do not say "over", I say "won". To my mind those two things are very closely linked together, because in order to have a maximum war effort in this country the people must be in a position to contribute something. What can the unemployed contribute to the war? We must find some place for them to go to work.

My experience of the unemployment problem, as I see it in my own city, is this. The great central core of the unemployed are out of work because they are not trained for any particular job for which there is an opening. I support the suggestion, one of the few made in the course of this debate that I consider of any very great merit, of the hon. member for Davenport (Mr. MacNicol); he sits on the opposite side of the house, but I believe in giving credit where credit is due. His suggestion as I understood it, was to enlarge and broaden the plan already instituted in the youth training movement. I would have it go further than it has gone. One of the most useful things we could do in a practical way would be not to limit it to unemployed youth, but to extend it to include all employable people who happen to be on relief, to train them for some useful employment.

I know whereof I speak because in a humble way I have had something to do with this matter of youth training in my own province. I can testify to the splendid work that is being done in the schools where this training is being carried on. By all means let it be continued; and I believe it would be wise to vote more money and broaden it to take in all the unemployed who are employable and train them for something in which they can be useful.

I agree also with the statement of the hon. member for Winnipeg South Centre (Mr. Maybank) that in return for relief we should get some honest labour from these people. The difficulty we find, however, as I imagine other municipalities have found, is that of providing the sort of work these people can do, without putting out of business some of our regular municipal employees already doing that very work. Parks, streets, roads and all that sort of thing are all very well; but if you do too much of that work with the unemployed, those regularly engaged in carrying on these services are out of business and go on relief, so what do we gain?

I deplore any suggestion tending to set one section against another. A British Columbia member suggested that the Ontario members were not all they should be in some regards; an Ontario member reciprocated by saying that the people in these dried-out areas—and I live very close to them—should get out if they cannot make a go of it. The hon. member was asked a very pertinent question which I noticed he did not answer. He was asked where they should go. I wonder if he would want those people to come into his constituency. Is he prepared to take care of them down here? I think that is a pertinent question which should have been answered.

Mr. BLAIR: I will answer your question; I did not hear it before. There is plenty of room in Ontario, with thousands of farms not being worked. Come down here and make a living.

Mr. CASSELMAN (Edmonton East): I did not ask the question; it was asked from across the chamber.

Mr. BLAIR: I did not hear it.

Mr. CASSELMAN (Edmonton East): There is one other matter I think should be dealt with at this time; that is the question of national registration, which seems to come definitely from one particular section of the house. I very much doubt whether that was put forward in good faith as a solution of the problem of unemployment. Possibly it was, but I rather suspect something else behind that suggestion.

Mr. HOMUTH: I do not think the hon. member should say that another hon. member making a suggestion in this chamber meant something other than what he said. The hon. gentleman should not impute motives.

Mr. CASSELMAN (Edmonton East): I am not imputing motives; I am dealing with the question of national registration as it has been presented by certain hon. members. I should like hon. gentlemen to use their common sense to visualize what would happen if that suggestion were adopted; and I am dealing with it only from the standpoint of its effect on unemployment. If hon. members putting forward that suggestion have in mind that we should use all our unemployed to undertake that national registration, then from the standpoint of unemployment I would see a good deal of merit in it. But I question very much whether the qualifications and ability of those people are such as to enable them to give the sort of service we would expect to get in a registration of that kind. Further I suggest that there is no necessity for a national registration. Applying my common sense again, I wonder what minister or what department would deal with all this information. It would have to be a tremendous department, able to analyze and make use of the diversified information that would be obtained.

The point I am trying to make is this. If you need workers in industry; if you need men on this or that job, judging from the letters I receive these men are available. But why not make use of the civil service commission? I assume that would be a proper job for them in the present scheme of things. It seems to me that in time of war we should relax some of our restrictions; pass an act of parliament if necessary, but for goodness sake let us do away with some of the red tape which seems to tie up that civil service commission. Let the commission receive all applications from the unemployed or those who think they can contribute something to this war. Let them tell the commission their qualifications, their experience and all the rest of the necessary information. Then when men were required for this or that job the civil service commission could look over the list of people qualified, pick out the best men and get them to work, instead of wasting two or three months with examinations and all that tommyrot at a time like this. I make that suggestion in all seriousness.

I criticized the previous speakers because they did not bring forward concrete suggestions that might lead to a real rather than a temporary solution of this problem of unemployment. Someone suggested that the Minister of Agriculture and the Minister of Labour should get together, that by proper collaboration between these two a great deal might be done. It seems to me such collaboration should involve the whole cabinet, but I would like particularly to add the Minister of Trade and Commerce and the Minister of Finance. I think we all know that the trade policy of the Liberal government from 1935 on did materially cut down unemployment. When there is plenty of trade back and forth between this and other countries there are plenty of jobs. But now many of our markets have been cut off and the Minister of Trade and Commerce has a serious job on his hands in trying to make up for those lost markets. I suggest to him that he should not overlook the large potential market in our own country, consisting of those who have nothing like ample purchasing power. That applies to a far greater proportion of our people than many hon. members may think.

I have two specific suggestions to offer which might help to reduce unemployment. If we could keep out more United States coal and make it possible for our own producers to have more of the Canadian coal market I think perhaps a great deal could be done. That is old stuff, of course; it has been threshed over many a time, but a great deal can still be done in that regard.

Mr. MacNICOL: It is good stuff, too.

Mr. CASSELMAN (Edmonton East): I think if we could do that the problem of the hon. member for Cape Breton South (Mr. Gillis) who has 1,500 miners on relief, would be just about solved. We have the same problem among our miners in Alberta, and it would help us as well. Then there is the question of sugar beets. We do not grow nearly all the sugar we use in this country, though sugar beets are produced in Alberta, Manitoba, Ontario and Quebec.

Mr. PERLEY: And soon in Saskatchewan.

Mr. CASSELMAN (Edmonton East): There may be other places but those are the ones of which I have knowledge. Is there any reason in the wide world why the growing of sugar beets should not be encouraged to a much greater extent, thus giving work to a great many more people? Why should not our agriculturists grow more and more sugar beets and less wheat, which they cannot sell except at ruinous prices? That may be only a small thing, but it is something; and a lot of these small things would go a long way toward relieving unemployment.

I said I wanted to have the Minister of Finance collaborate on this question, because he is the most important gentleman one can think of in connection with unemployment relief. I do not wish particularly to worry the minister at this time, because at the moment he has enough on his mind. I would point out, however, that without giving us anything definite the hon. member for Fraser Valley (Mr. Cruickshank) did express the thought which must be in our minds. He pointed out something of which we have to take notice, namely, the implications or results of our monetary policy.

I have no hesitation in saying that I am a monetary reformer. I have no use whatsoever for "funny money," nor have I any use for vague or indefinite theories, with some of which I have been in close contact. Probably that condition applies more to me than it would to many hon. members from other provinces. In the past five years, after all my best endeavours to understand those theories I must confess that I am no nearer an understanding than I was at the beginning. I have no use for that kind of finance.

I should, however, like to pay tribute where tribute is due. When speaking a few days ago, the hon. member for Macleod (Mr. Hansell) posed this question. What is the cause of unemployment? But I noticed that he did not suggest any solution, any more than did many other hon. members who filled the pages of *Hansard*. I do not care whether I have ten lines in *Hansard*, but I should like to have the committee give careful thought to this problem, and make an effort to get at the roots of it.

An hon. MEMBER: There are too many Liberals.

Mr. CASSELMAN (Edmonton East): I am a Liberal, and proud of the fact.

Mr. BLACKMORE: The hon. member is doing well.

Mr. CASSELMAN (Edmonton East): I shall describe a situation which developed in my own city, and one with which as a member of the city council and the health board I was familiar. A short time ago, through the health board our medical officer condemned at least a hundred houses in Edmonton, most of which were in the eastern section of the city. His statement was that those houses were unfit for human habitation. Were they ordered to be destroyed or pulled down? No. Why? Because we had no other place to put the people who had been living in them. There was no other accommodation available at rentals they could afford to pay, or at rentals which relief moneys would meet. Yet, lying in the banks of our city—and not in Edmonton alone—there was in deposit accounts plenty of idle money which, if put to work, would be sufficient to construct many times a hundred houses, while at the same time the construction work would give employment to many of the unemployed, and the purchase of materials would help industry. My common sense tells me that in that situation we have a real picture of our troubles. We have too much idle money, money which is not working. The funny thing about it is that not only is the money idle, not only is it not paying anything under our present system, but it is drawing unemployment relief during the time of its unemployment, and that relief comes in the form of the one and a half per cent interest on savings accounts. Just imagine paying unemployment relief on unused money!

Surely our common sense revolts at that sort of thing. I do not wish to be accused of telling the government what it has not done and reviewing what other governments have not done, while at the same time offering no concrete suggestion into which hon. members can sink their teeth and to which they can apply their common sense. With that in mind I offer something which I suggest would get us somewhere. I say that the money to which I refer, in addition to offering great benefits in connection with the solution of our problem of unemployment, would go a long way towards helping us pay for this war. I wish the Minister of Finance were in his place so that he might hear what I have to say.

There is nothing of phoney money in the scheme I offer. There is nothing of theory, nor is there anything which any hon. member cannot understand. Two simple operations would be sufficient. First we would place a tax on all spendable money in the country. That tax might be levied once a year, and it might be placed at three per cent. At the same time the government would issue non-interest bearing bonds. If we put those two factors together and examine the implications involved in them, we shall have gone a

long way towards relieving unemployment and towards financing as we go the cost of the war. That three per cent tax on all spendable money could be collected once a year on December 31, or at some other more favourable date. At the same time to those people who do not want to pay the tax we would make available the non-interest bearing government bonds. Those bonds could be secured through the banks, because I would not want to disturb or endanger our banking system in any way.

We must realize that we can borrow only from those people who have surplus funds, and it would be that group who to escape the tax would buy the bonds. That is, they would turn their money into special accounts in the banks, and those accounts would be under the direction of the federal government. From them the dominion government or the provincial or municipal governments could borrow, under proper conditions. In this way we would use the money which we must use, and would not pay interest on it.

It is an insult to the patriotism of our people to offer them interest on money so badly needed to finance our war activities. Goodness knows, we are getting plenty of illustrations, through our newspapers, of people who will have nothing to do with that type of patriotism, but who are making direct contributions with no thought of interest whatever. I am sure the government would find that there are hundreds of thousands of people in Canada who would be ready to do the same thing.

To-day the government gets its money from people or corporations that are saving it, and it pays interest on those moneys because the people say, "Well, you are going to keep my money ten, fifteen or twenty years, and naturally if I am not going to have the use of it in that time I ought to be paid interest." But, Mr. Chairman, there is no reason why those people could not be permitted to cash their bonds at any time they might wish to change their surplus back into cash.

We will suppose that a man has $5,000 in a deposit account. He does not wish to pay the tax of three per cent, and with that in mind he turns the money into government bonds. But next week he finds he needs a hundred dollars to meet ordinary expenditures. All right, under those circumstances he could turn in a bond and get his $100. He is not going to draw more than is necessary, because he knows he will have to pay a tax on the money placed in his account. For that reason he will keep his money down on deposit to the lowest possible requirements. Under the circumstances I have outlined, the government would have the use of the money interest free.

I would point out in conclusion that our financial structure has become extremely top-heavy. In 1900 our public debt stood at about three-quarters of a billion dollars, while to-day it is almost eight billions of dollars. In passing may I observe that when I refer to the public debt I refer to the bonded indebtedness of the municipalities, the provinces and the dominion. This has been the increase in forty years. Let us picture this increase as pyramided on a very small base. Then let us turn the pyramid upside-down, and we see how from that small base it has spread out to its present enormous dimensions.

How did it get that way? It got that way because we have been paying interest we thought we had to pay. We have been paying in the orthodox manner, believing that there was no other way of doing it. I am suggesting that this was a vicious spiral, the incentive or the central base of which was interest. If we are going to get away from that we must reverse the process, unspiral and return to the point at which we were some years ago, when our public debt was very much less than it is to-day. We can do that by imposing a three per cent tax on all spendable money, and at the same time provide interest-free bonds.

I should like to discuss this matter with any hon. member or any committee that might be set up, and if I could not supply a reasonable answer to every question brought forward I should be very much surprised because this is not just some brain wave of my own; I have discussed it with fraternal societies, Kiwanis clubs, service organizations and business men of all kinds. I know all the questions that will be asked, and I think I have an answer that will appeal to the common sense of every member of this house if he is capable of using his common sense. Here I think will be found the answer not only to our problem of financing the war but to our problem of unemployment.

Mr. STIRLING: May I ask the hon. member what he means by spendable money?

Mr. CASSELMAN (Edmonton East): I mean all the currency that is in existence plus all the bank accounts that are on deposit.

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

Mr. CASSELMAN (Edmonton East): Yes. The deputy minister of finance in the banking and commerce committee a year ago placed the amount at $2,735,424,000. That is all

our money in Canada, and I mean all of it. A tax of three per cent is only a suggestion; it might not be enough or it might be too much. I am talking of the principle of putting a tax on money and at the same time providing interest-free bonds. The way it works is this: Men or corporations with money to put into a commercial enterprise, such as building houses, opening mines, cutting down timber and making lumber, can invest their money in such enterprises if they want to. That will provide work for the unemployed. I would not worry about the unemployed, however, because I do not think there will be many; but if there are, the tax collected could be used to provide unemployment relief, and more will be collected in taxes than will have to be paid for unemployment relief. On the other hand, a man may say: "I want to keep my money." All right, let him buy government bonds, realizing that he is not going to get interest on them but that he can withdraw his money at any time. Surely nobody would ask for interest if he could draw out his money when he wanted it. It is time that the Canadian people realized that the interest paid on all public debt is provided by the taxpayers of this country. I could go on at great length, Mr. Chairman, but I do not intend to take up more time this afternoon. I merely wanted to get the idea across and to have hon. gentlemen think about it, and I shall be prepared to discuss it at any later time, but I bring my suggestion earnestly to the attention of the Minister of Labour and the Minister of Finance for the reasons I have stated.

Mr. E. G. HANSELL (Macleod): Mr. Chairman, the hon. member who has just spoken (Mr. Casselman, Edmonton East), referred to the question which I asked the Minister of Labour (Mr. McLarty) the other night and said that I had not myself, in asking the question, offered any solution for the problem. My question was put in an attempt to diagnose the disease of unemployment. My question was, what is the fundamental cause of unemployment? I explained that we could not solve the problem until we had properly diagnosed the case. I do not think we are incapable of offering any solution. We have been here now for four or five years, and we have claimed consistently that the proper solution is to be found in a money technique. My hon. friend has offered another money technique. I am not going to suggest that he has not offered a solution to the problem. I still believe however that my question deserves an answer and I trust that the minister will answer it before the debate closes.

[Mr. F. C. Casselman.]

Further, may I point out to my hon. friend that I do not know it is the particular business of a member on the opposition side of the house to inform those on the government benches as to the solution of the problem.

Mr. CASSELMAN (Edmonton East): What are you here for then?

Mr. HANSELL: My friend says, "What are you here for then?" We are here to make suggestions, I know, but I would point out that when a member on the government side of the house asks a member on the opposition side what the solution of a problem is, it is a self-admission that he himself has no solution.

Mr. POULIOT: He wants to know what your solution is.

Mr. HANSELL: We have been discussing this matter here for about five years, and I am not going into it now. I did not rise to make that sort of speech. I rose to ask another question.

The hon. member for Weyburn (Mr. Douglas) intimated a few minutes ago that the impression among relief recipients was that the relief grants were going to be cut. The Minister of Labour is going to explain whatever he has in mind on the subject, but it raises another question in my mind. I am wondering just how the relief rate of the recipient is arrived at, and just who initiates the process by which that rate is reached. I have talked the matter over with officials of one kind and another, and I have been under the impression that it is the municipalities that set the rate of the relief recipient. I wish the minister would enlighten us upon that point. Discussing the matter with one gentleman I was offered the suggestion that sometimes the relief rate is arrived at by stipulating a certain quantity of foodstuffs of different kinds; that university professors had been working out a scale of relief, discovering how many calories there were to so many cans of beans, how many calories to so many ounces of meat, and that a relief recipient should be able to live on so many calories. It is said that if he eats what is on this schedule of food in one month he will live. So the relief rate is struck accordingly. I do not know if that is the way in which it is generally done, and I wish the minister would enlighten us upon that point. If it is so, I would suggest that the relief rate should be increased instead of decreased because prices of foodstuffs have been rising all the time.

I would point out, further, that if the federal relief grant to the provinces is cut, then the provinces or the municipalities, in order to maintain the standard of relief given

to recipients, would have their responsibilities increased. I think the minister should enlighten us upon all these matters.

May I make just a couple of other observations? The first is that sometimes a good deal of politics is played in connection with relief. If this government cuts relief grants to the provinces, and the provincial governments have to advise the municipalities accordingly, I venture to say the complaint will be heard from some municipalities, "There you are; what do you think of your provincial government?" although perhaps the provincial government is not at all to blame. I maintain that if the dominion government intends to cut grants to the provinces, the people of Canada from Halifax to Victoria should be told it is the dominion government that is doing it.

I have heard it said a good many times, "This relief business is becoming a racket", the inference invariably being that it is the relief recipient who is carrying on the racket. I do not begrudge to any relief recipient a few extra cents or a dollar or two more a month for food and clothing, and I suggest that if any racket is being carried on, it lies in the realm of the municipalities and towns.

An hon. MEMBER: Retailers.

Mr. HANSELL: Yes, and retailers, those who are supplying foodstuffs and clothing. I venture to suggest that an investigation would disclose that some municipalities and towns are benefiting considerably from the present method of relief. I am not making any accusations, but I will cite a possible case. A man who is on relief is receiving the regular rate, and the officials of the municipality or town say to him, "Of course, you will have to work this out at so much an hour." He does so, and one of his jobs is to dig a grave in the local cemetery. He is working out his allowance, and no more. But when the representative of the person who is buried there pays the bill, he pays good money to the municipality for the digging of that grave.

Mr. MacNICOL: "Good money!"

Mr. HANSELL: He does not pay the municipality at relief rates; he pays the municipality for digging the grave. But what has happened? The dominion government has paid forty per cent; the provincial government, forty per cent and the municipal government, twenty per cent for the digging of that grave. But the municipality has collected one hundred per cent. Such things happen.

An hon. member remarked this afternoon that a man should give some service for his relief allowance. I have no quarrel with that opinion, but let me point out that if he gives services in exchange for relief he is no longer on relief, he is employed at a given rate. If a city or municipality or town gets work done and pays only twenty per cent of the cost, it is not the individual but the city that is on relief. I believe that this should be understood from coast to coast.

I have pointed out these things because, while I suppose we shall have to vote for the resolution as being the best thing the government has to offer, it is not the proper way to tackle this job We have been going on in this way for five years; I believe this is the sixth session in which the same old thing has been presented to the house. I wonder if the minister is prepared to answer the question I put to him the other night. I believe it is important. Can he also tell us something about how the individual rate for the relief recipient is arrived at?

Mr. HANSON (York-Sunbury): Before the minister replies, I have just one question I should like to ask him. No amount is mentioned in the resolution. I should like to know how much real, sound money he expects to spend this year?

Hon. N. A. McLARTY (Minister of Labour): I would be glad to give my hon. friend the exact figures of the amount which will be provided under the measure, when it is passed. I am afraid I do not have them with me to-day.

Mr. HANSON (York-Sunbury): That is good enough. I mean real money.

Mr. McLARTY: I thoroughly understood my hon. friend's question.

Mr. NICHOLSON: I wonder if the minister would answer the question I asked on June 5, with regard to the amount of money granted to Saskatchewan in May of this year compared with May of last year.

Mr. POULIOT: It is difficult to answer three questions at the same time.

Mr. MacINNIS: One after another.

Mr. McLARTY: I believe I have a reasonably good memory for figures, but those involved in this legislation are such that I am afraid I cannot extemporaneously accommodate my hon. friend. I shall be very glad to see that he gets the figures in due course. At this time, that is on June 17, ordinarily we would not have the May figures for the current year. Probably we have not the figures for later than March of this year, because the accounts are sent in to us by the provinces, and there is always some delay in connection with them.

I cannot possibly make a statement on this measure without observing to those hon. members on the committee who had the privilege over a number of years of hearing my predecessor, in this office which I now occupy, with his high ability and unquestionable sincerity debate this matter, that I believe every member will feel as I do, namely, that we shall sorely miss him and shall not forget him.

The debate, sir, has covered every possible field of human endeavour and governmental activity. I suppose it would be safe to say that no speech from the throne was debated with a wider variety of subjects than this resolution has been. It is quite proper that this should be so. After all, it is a vital problem. It is a problem which has baffled us; it is one for which every member of this committee, certainly including myself, would like, if possible, to find a panacea, a solution, a cure-all.

A great many excellent suggestions have been made. I refer, for instance, to those of the hon. member for Davenport (Mr. MacNicol), the hon. member for Rosedale (Mr. Jackman), the hon. member for Edmonton East (Mr. Casselman), and the hon. member for Victoria, B.C. (Mr. Mayhew). From other groups in the house have come excellent suggestions as well; but they are based on so broad a monetary policy or involve to such a considerable degree the nationalization of industry that those hon. members will not expect me, I know, to deal at this particular time and in this debate with such vital and important problems of government policy.

As would naturally be expected, there have been some criticisms, and the first, in a broad way, is in regard to the way in which this act has been administered by the province under whose jurisdiction that administration lies. The hon. member for Macleod just now asked me—and I might deal with the matter now when it is fresh in my memory—how the amount was allotted to each individual recipient of welfare. That is done, in Alberta I believe, and certainly in Ontario, by joint consideration on the part of the municipality and of the provincial government. The federal government does not in any way fix the quantum of individual relief or determine what form the relief will take as to clothing, shelter and other necessities. That is purely the function of the province and of the municipality.

Might I point out in that connection that this is simply one other example of the criticism of administration which we have had in this house on so many occasions, namely where the dominion government is supplying a substantial percentage of funds and administration is not retained by the dominion government itself. We have heard that criticism time and time again.

Members of the committee are now aware that when the report of the dominion-provincial relations commission is implemented—if that portion of the report dealing with unemployment relief is implemented—the dominion will then have not only the financial responsibility of maintaining employables but the additional responsibility of administering relief to them as well. It is true, the province will have other functions. The province will have those other functions in compensation to the dominion for undertaking that work. But I believe it will be a more satisfactory system when this is administered under the dominion government and the dominion government makes the whole contribution.

There were, too, criticisms from certain members from northern Saskatchewan to the effect that relief was not being properly administered in that particular section of the country. Some of the stories told were distressing and they could not help but be appealing to members of this committee. I asked that a report be obtained, and I have received it. The commissioner under the Unemployment and Agricultural Assistance Act has been in communication with relief administrator for Saskatchewan and is informed that no instructions have been given along the lines which have been suggested by Saskatchewan members, namely, that relief should be reduced or people cut off relief because of shortage of funds or because of any thought of reduction in federal contribution. The hon. member for North Battleford quoted a letter received from a local relief officer which appeared to suggest such lack of funds. The provincial relief administrator states that this letter was not based on any instructions which have gone to the district inspector and it appears that the inspector is in an area where he cannot be reached by telephone for explanation. The relief administrator also advised that he would have the matter investigated at once and stated that if we wished to have a representative present he would be only too glad to have him accompany the inspector.

Mr. COLDWELL: I actually saw a list of fifty-three municipalities which were being cut off the relief roll for May. The list was produced by the inspector at Biggar, Saskatchewan, late in April.

Mr. McLARTY: This particular memorandum deals with that part of northern Saskatchewan to which reference was made. I am

not quoting it as an answer to the question asked by the hon. member for Weyburn and the hon. member for Rosetown-Biggar. I shall come to that.

The second criticism of major importance has been that the dominion government is not making a sufficiently substantial contribution to relief. I recall to members that prior to 1934 the contribution made by the dominion government was one-third. From that time on it was a flat grant. In 1939 it was made on what is known as a forty-forty-twenty basis, and, where it was a matter of municipal improvements, on a fifty-fifty basis as far as direct labour costs were concerned. The hon. member for Weyburn, supported by the hon. member for Rosetown-Biggar, suggested that Saskatchewan had stated that we had advised them we had reduced our relief. The only thing I can deal with is what we did advise them. What the province of Saskatchewan may have advised, in a letter which was seen by the hon. member for Rosetown-Biggar, is naturally something beyond my knowledge, but I think I can explain it in this manner.

As I stated the other night, until this act is passed, the government of Canada has no right to make any commitments. The provinces indicated that on account of the municipalities having to arrange their budgets, they would like us for their convenience to assume that the act had been passed. Then, what would be our policy? I endeavoured to give that information, for the convenience of the provinces, and sent them all the same message. I stated that our policy, as far as contributing to direct relief expenditures was concerned, would be, and I had the approval of the government it would be, in the same ratio as in the last year, namely, on a forty-forty-twenty basis. But I added that the government was making huge war expenditures, that those expenditures should take up at least some of the unemployment, and that it might be necessary—I did not say it was—for us to fix a maximum amount. The commissioner advised Saskatchewan as well as the other provinces and did so rightly. But the thought we had in mind at that time, and still have, is that that maximum should be placed in those provinces which were receiving sufficient war orders to justify a maximum being established. I believe it does not apply to Saskatchewan. I doubt whether it applies to any of the four western provinces. Therefore I think I am safe in saying that, provided this act passes, we shall be prepared to make a contribution on the same basis as was made last year. What view the province takes of that advice is something which it would be presumptuous of me to deal with because I know only what we advised them.

A third question has been asked: Why in war time should there be unemployment at all? It is not the easiest question to answer. This afternoon the hon. member for Macleod asked me again to explain why there should be unemployment in war time. Frankly I was one of those who thought that the advent of war would so increase the tempo of industry that unemployment would fade like dew before the morning sun. But it has not been so. Before analyzing what I believe to be the reasons for this, I think I should place on *Hansard* definite figures. The other night the hon. leader of the opposition put on *Hansard* some figures for the month of March. The figures for that month have since been revised. The little difference there will be between the figures I give and those he gave is a result of this revision.

First let me say that March is probably the best month to take in considering the matter. March always shows the peak of those receiving unemployment and material aid. Consequently, when we look at March, we are looking not at the most favourable side of the picture, but at its worst.

May I add that I am not putting these figures on *Hansard* with any great pride of achievement; they are too large; I am first to recognize and realize that, and I state it quite frankly.

These are the revised figures. The total number in receipt of material aid in some form or another in March was 772,542. I know it is no answer to say that this figure is twenty-five per cent less than that for the same month last year. The question is why there should be any at all. It should be borne in mind that persons in receipt of direct relief include not only a large number of employables who are out of work, but also the dependants of those who are out of work, persons who are physically and mentally handicapped, and those who through age or other causes are unemployable, and, in addition, farmers and their families on direct relief because of crop failure. The latter number 123,673.

These figures on agricultural relief represent a reduction of 62 per cent over the same month last year, and 68·5 per cent from March, 1938.

The total on direct relief in urban areas, according to the revised March figures, was 648,869 persons. Again I point out that this figure should not be taken to represent the number of people unemployed. In addition to heads of families and individuals without dependants, it represents wives and minor children, aged people and those who are unemployable or only partly employable. To

indicate the significance of this, I might explain that of the 138,961 heads of families or dependants of heads of families who are employable, 80·4 per cent were reported as being fully employable.

Mr. HARRIS (Danforth): Before the minister leaves that point, that does not include people receiving relief under the Prairie Farm Assistance Act?

Mr. McLARTY: No, that is not included; these are only the figures under the Unemployment and Agricultural Assistance Act.

Mr. HARRIS (Danforth): Has the minister the figures for the other group, which is part of the same problem?

Mr. McLARTY: My colleague the Minister of Agriculture will have to deal with that.

Mr. GARDINER: In round figures, 56,000 farmers.

Mr. HANSON (York-Sunbury): That does not include anything for New Brunswick, where there is no registration.

Mr. McLARTY: That is quite true. There is no registration in New Brunswick and consequently it is not included.

Mr. HARRIS (Danforth): Nor the wheat bonus. Perhaps the Minister of Agriculture will give that.

Mr. GARDINER: Under the Prairie Farm Assistance Act, 56,000. That is the only group that would be comparable with this.

Mr. SENN: Does that include the wheat acreage bonus and all the rest?

Mr. GARDINER: Yes.

Mr. McLARTY: I was saying that to indicate the significance of this I might explain that of the 138,961 heads of families or dependants of heads of families, 80·4 per cent were reported as being wholly employable, while of the 48,076 individuals without dependants only about fifty per cent are reported as being fully employable. There is one circumstance which I think I might fairly point out in this connection. Prior to August of last year the province of Quebec took care of a very large number of employables by means of a works programme. In August of that year that works programme was discontinued. The result was that while in the intervening time employment in the province of Quebec has generally gone up, the number thrown on relief in March of this year as against March of last year was over seventy thousand. In other words, this change of provincial policy had something to do with the comparative relief figures.

[Mr. McLarty.]

The registration branch of the Department of Labour canvassed thirty-eight principal cities of Canada between April 1 and June 1. The composite figures secured in that time indicated a drop in that time of a further 24·3 per cent.

I might now deal with a few of the reasons for the necessary disappointment about the number on welfare in war time. The hon. member for Trinity (Mr. Roebuck) in an excellent address the other night referred to some of the circumstances and conditions accountable for our hopes that there would be no unemployment now being in part disappointed. In the first place he pointed to the dislocation of external trade. That is true not only of trade with enemy countries but also of trade with our allies and with neutrals. In addition there were certain industries, such for instance as the construction industry, which was not helped, but rather hindered, by the existence of a state of war. In the next place, in war time investment in all except war-time industry itself is largely curtailed. Then it is to be remembered that the number of unemployed on relief does not represent the total unemployed of Canada. Doubtless a great many who had in a general way a larger measure of skill were first taken on. These, while they were not on the unemployment relief rolls, were in fact unemployed. Then doubtless quite a number who were employed in part-time work received full-time work. The fact that this is so is borne out by a great reduction in the figures of unemployment in the trade unions.

I had intended to mention, and I will do so now, an analysis of the figures relating to skilled and unskilled labour on our relief rolls. It is surprising that in all the industries involving skilled labour less than ten per cent of these who were employable were on welfare. It would be natural to assume that the first industry to be affected by war so far as the relief rolls are concerned would be manufacturing. But when I say that there were only 2·9 per cent of skilled manufacturing workers on relief, hon. members can see why the direct effect was not felt in the reduction of the number of unemployed on relief. I think that indicates a clue which it might be useful to follow in finding some solution of the problem with which we are presented.

I might deal with the positive side of employment. It is an anomalous situation that while the number of unemployed on relief has decreased to some extent, it has not decreased at all in proportion to the increase in the percentage of those employed. In fact I think I would be safe in saying that for the month of May our index for employment is probably the highest it has

been, certainly for the last ten years, and probably before that. In fact the figures show as great an increase in employment in the first four months of this year as the total increase for the five preceding years, but there has not been a corresponding drop in the number of those unemployed.

Mr. HANSON (York-Sunbury): Would that not be due partly to the natural increase in population?

Mr. McLARTY: No doubt to some extent that would be due to the number becoming of employable age each year.

Now I think it would be only fair to take a little time to deal with one or two other points. In his helpful address the other day the hon. member for Davenport (Mr. MacNicol) said he was not going to thresh old straw. I think it would be appreciated by this committee if I were to emulate his excellent example in that regard. But I should like to mention some of the things that have been done since the outbreak of the war in regard to the development of that supply of labour which is so necessary if we are going to have our industries carry on night and day, seven days a week.

In the first place, immediately after I was appointed to the portfolio I now hold, I called a conference of representatives of the various provinces throughout Canada having employment agencies. Representatives of these provinces met here for two days discussing methods by which we could secure an effective registration of skilled and semi-skilled labour, and how we could develop a greater supply. In connection with the registration of skilled and semi-skilled labour it was decided that the best and most appropriate method of carrying that out was through the eighty employment offices in Canada. That work was started immediately. The departmental registration office at Ottawa was made a clearing house for all the figures. As may be imagined, a substantial list has been built up and catalogued, which is available at any time. These people are classified as to both occupation and the geographical districts in which they may be required. In the meantime, through the Engineering Institute of Canada, the Canadian Institute of Mining and Metallurgy and the Canadian Institute of Chemistry there has been carried on a registration of the technical men who would be available in the event of being called upon by industry. That work was taken over by the voluntary service registration bureau under the direction of Doctor Tory, and something over 8,000 names were collected of those who might be useful in war work.

This afternoon an hon. member said that without any inquiry, without any question being raised, we have allowed a great many skilled men to enlist in the army whereas they would have been more useful if employed in their own particular line of business. Since the beginning we have cooperated with the Department of National Defence in every possible way. If a highly skilled workman or technician enlisted, we would make inquiries to see whether his value might not be greater here.

Mr. HANSON (York-Sunbury): I understand that when a skilled man or technician enlists, the officer commanding endeavours to utilize his services in the army, having regard to the fact that it is now, or should be, highly mechanized. In other words, the officer would assign that man to special duty. For instance, in connection with gas masks, I know of a young chemist who was brought from the ranks to the research council here at Ottawa to take up that particular line of work. So that matter is looked after to a certain extent.

Mr. McLARTY: I think that is quite correct. My hon. friend has mentioned the instance of a chemist. I had more in mind the skilled labourer. We have endeavoured to check up with the manufacturer to see just how valuable that man would be in industry, and we have weighed the pros and cons of his value before allowing him to become permanently enlisted.

Then some time ago a joint committee was formed in the Department of Labour and the Department of Munitions and Supply with the idea of making a definite check as to what skilled labour would be required, and where, in connection with the speeding up of our war industries. This committee held several meetings. Telegrams were sent to those industries engaged in making war equipment; replies were received from practically all, and that committee drew up a definite statement as to the amount of skilled labour that will be immediately required to carry out the order of the Department of Munitions and Supply to speed up all the war industries in Canada.

In addition we have been endeavouring, through the youth training movement, to speed up the training of air mechanics and mechanics who will be required in the production of aeroplanes. The number of air mechanics turned out last year was not so impressive. This year I believe it will be impressive. We are in the hands of the Royal Canadian Air Force. We work on the quota they give us. We are prepared to increase the number who will be employed under that

quota. So far this year the quota has been 3,000, but we anticipate that ultimately it will be much larger than that.

Mr. HANSON (York-Sunbury): Those are air mechanics?

Mr. McLARTY: Yes; that does not include those engaged in the manufacture of aircraft. In that connection there are schools pretty well throughout Canada, at Vancouver, Calgary, Moose Jaw, Regina, Saskatoon, Brandon, Winnipeg, Galt, Saint John, Moncton, Edmundston, and Campbellton.

In addition we are rapidly developing a supply of skilled mechanics for the aeroplane manufacturing industry. We have arranged or are arranging through the co-operation of the provinces for the occupation of every technical school which has facilities to enable that work to be carried out, and in the present year we expect to develop a great many mechanics in that way.

There are several other points I might well develop, but I do not wish to add very much except this. I believe that at the present time the greatest single thing we can do to reduce unemployment and promote the happiness and prosperity of those who are unemployed is to develop in every possible way all the skill of their hands and heads. We can do much as a government, although not so much perhaps in the actual matter of training because we are limited to the thousands needed for such specialized work as the production and maintenance of aircraft and the metal trades. We can do a great deal to bring about peace in industry, as we have tried to do through the extension of the Industrial Disputes Investigation Act.

We can do a great deal in the stimulating of industry; but fundamentally the problem comes back to industry itself. If they are going to have to speed up; if they are going to work two or three shifts a day where they have been working only one; if they are going to work longer days than they have been working, then they must assume some responsibility for the training of their new employees. I am glad to say that in a great many instances that is being done. It has been done extensively for example in the aircraft business; it has been done extensively in the shipbuilding industry. In addition, for some little time many plants have been conducting their own apprenticeship and learnership classes. We realize, however, that this is not nearly large enough. A system of apprenticeships in normal times helps in a smaller way, but in these times when we want to speed up industry to its maximum, and when we want to develop workshops in Canada capable of producing supplies with which to aid the motherland and in our own defence, we must make a definite appeal to industry.

There are other measures with which we shall deal in the course of the debate; but to-day the greatest hope I see for reducing the number of employable unemployed is through the use of every effort at our command and the use of every possible assistance to train as many skilled workers as we can, for the benefit both of themselves and of their country, in order to enable us to maintain a steady flow of war supplies.

Mr. GREEN: I do not think the minister said anything about the possibility of setting up a national employment service in Canada. As he knows, a recommendation to that effect was made both by the Purvis commission and the Rowell-Sirois commission. To-day we have a great many more men in employment, and the centres at which the men are required are changing. There is the possibility of some shifting of employees, as the war effort develops. Would it not be of great value to set up national employment agencies under the direct control of the dominion government?

Mr. McLARTY: I regret not having dealt with that point, because I realize the extreme importance of the problem to which the hon. member has referred, namely the necessity for the transference of labour. It will be understood of course that a committee has been set up to deal with that subject. The hon. member is quite correct in his reference to the recommendation of the two commissions he mentioned, namely the recommendation that the employment service of Canada should be operated by the dominion government.

Mr. GREEN: It was very highly recommended.

Mr. McLARTY: I agree, without hesitation. One of the points which is to be legislated upon when the unemployment insurance legislation is brought down is the transfer of control of employment services to the dominion government. I am glad the hon. member has brought the matter to my attention.

Mr. GREEN: Is that to be covered at this session?

Mr. McLARTY: As far as I know, the answer would be in the affirmative. It is the intention, of course, but as hon. members are aware, we shall have to have an amendment to the British North America Act. All I can say is that it is pointed out in the speech from the throne that we shall move as far as possible, and I am sincerely hopeful that we may get some distance in it. However I would not want to give any definite undertaking in the matter.

Mr. GREEN: But it is to be included in the unemployment insurance measure.

Mr. McLARTY: Yes.

Mr. HANSON (York-Sunbury): Would the minister take care to see that in dealing with the question of apprenticeship, employers of labour are not permitted to keep down fair wages for skilled workmen. I have in mind an industry recently established in Canada. Although I have not the evidence at hand, I am informed that a large proportion of the employees in that industry are apprentices, and that the pay given to them is substantially lower than that which would be given to skilled workmen. Therefore the cost of production is decreased and there have been detrimental effects upon competitors. That is a point which the government ought to keep in mind. It should not permit an abuse of that kind to creep in, under the guise of turning out skilled workmen.

Mr. McLARTY: I am glad the leader of the opposition raised that point. It will be realized of course that our difficulty in many instances is that apprenticeship is a matter under provincial jurisdiction. Under ordinary circumstances we can deal with that situation only through cooperation with the provinces. However, in respect of war contracts I believe we would have power to act. As a matter of fact, a situation such as has been described by the leader of the opposition was called to my attention only a few days ago. Although I have not yet received a report, I have asked for investigation. If in private the leader of the opposition would be kind enough to give me the instance he has in mind, I should be glad to see that it is investigated.

Mr. HARRIS (Danforth): There is the boot and shoe industry generally, but particularly the Bata shoe company.

Mr. JOHNSTON (Bow River): I believe the minister would be well advised to examine war contracts, because I have gone with greater care into the one I mentioned a few days ago, and I am more convinced than I was before that they are using apprentices in their production work, and are paying only twenty cents an hour when they should be paying much more. I believe this matter is connected closely with the training of mechanics, a subject which I thought was to be discussed in connection with another measure. As the leader of the opposition has said, however, there is great danger in connection with this matter.

Mr. MacNICOL: I have no doubt the minister is familiar with the legislation passed recently and now in operation in the United States. That legislation has to do with the training of apprentices, and deals particularly with the possibility of any reduction of wages. In the United States they have overcome the difficulty which has been pointed out by some hon. members, by appointing committees in all the cities throughout the United States where the federal government has labour offices. The act is under the joint administration of the Department of Labour at Washington and the state and municipal authorities. The committees are composed of three representatives from labour, three from the employers, and two selected at large. Then the state appoints a representative from the state department of labour to act as chairman. In this fashion they control the flow from the schools to production.

Mr. HANSON (York-Sunbury): They have the appropriate legislation.

Mr. BLACKMORE: In connection with the production of armaments and other war equipment, has any shortage of skilled labour developed? The minister told us a few minutes ago that industry is coping with the situation through the process of apprenticeships.

Mr. McLARTY: Would the hon. member be content if I gave the figures in the debate on second reading?

Mr. BLACKMORE: Yes.

Resolution reported, read the second time and concurred in. Mr. McLarty thereupon moved for leave to introduce Bill No. 42, to assist in the alleviation of unemployment and agricultural distress.

Motion agreed to and bill read the first time.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

MILITIA PENSION ACT

PERMANENT FORCE NAVAL OFFICERS TO BENEFIT IN RESPECT OF ONE-HALF OF PREVIOUS NON-PERMANENT SERVICE—CONCURRENCE IN SENATE AMENDMENT

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health, for the Minister of National Defence) moved the second reading of and concurrence in an amendment made by the senate to Bill No. 3, to amend the Militia Pension Act.

He said: If hon. members will look at page 76 of the Votes and Proceedings of June

4, they will find that the senate has made a purely clerical amendment, striking out the word "half" and substituting the words "one-half of".

Mr. HANSON (York-Sunbury): Is it just a question of English?

Mr. MACKENZIE (Vancouver Centre): Yes, purely a clerical amendment.

Motion agreed to, amendment read the second time and concurred in.

WHEAT COOPERATIVE MARKETING

CALCULATION OF INITIAL PAYMENTS TO SELLING AGENCIES—AUTHORITY FOR PAYMENT OF LIABILITIES AND ADMINISTRATIVE EXPENSES—CONCURRENCE IN SENATE AMENDMENTS

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of and concurrence in amendments made by the senate to Bill No. 20, to amend the Wheat Cooperative Marketing Act, 1939.

Mr. HANSON (York-Sunbury): The first amendment is to strike out the short title?

Mr. GARDINER: Yes. The changes that have been made by the senate are not important. They do not change the intent of the bill at all. The first amendment is simply to drop the short title, which they consider unnecessary. The second amendment substitutes "one only cooperative plan" for the words "a cooperative plan". The senate draughtsman considers the amendment better wording; it does not change the meaning at all.

Mr. HANSON (York-Sunbury): I quite agree.

Mr. GARDINER: The same amendment is made in section 3, and sections 2, 3, 4 and 5 have been renumbered 1, 2, 3 and 4. Then in section 4 as it passed this house the senate have changed "a report of the proceedings taken under this act" to read "a report of all things approved by the governor in council under this act." That apparently is all that is necessary, in their opinion, to report to the house. The other amendment is to drop the section which we dropped in the other bill on Friday, "This act shall come into force on a date to be fixed by proclamation."

Mr. HANSON (York-Sunbury): That is, an amending act should not come into effect by proclamation. The amendment to section 3—it was section 4 as it passed this house but the sections have been renumbered—makes a difference in substance. The words "a report of the proceedings taken under this act" would, I suppose, cover a very much wider scope than "all things approved by the governor in council". We are not in committee, but I might ask the minister to state in a few words just what the effect of the difference is. The senate have apparently taken the view that only those things approved by the governor in council are necessary to be reported to parliament. The bill as drafted certainly included something more than that. Perhaps the minister has in mind just what the difference would be.

Mr. GARDINER: As it passed this house the section read:

> The minister shall at the end of the fiscal year prepare a report of the proceedings, taken under this act and shall lay it before parliament forthwith, or if parliament be not then sitting, within fifteen days after the commencement of the next ensuing session.

I take that to mean that we should make a full report on the different proceedings, some of which might be approved by order in council and some merely given assent to by the minister; but the amendment made by the senate, substituting the words "all things approved by the governor in council" limits it somewhat. The department has no objection to the amendment as proposed although it may limit what would have to be reported on to the house.

Mr. HANSON (York-Sunbury): Quite true.

Mr. COLDWELL: Does the minister know why this change was made? I believe the wider wording is preferable to the wording that has been substituted in another place.

Mr. GARDINER: I have no explanation why they desire the change. I was not at the meeting of the committee when the change was made. I can only explain the effect of the change.

Mr. HANSON (York-Sunbury): The senate amendment limits it to what has been approved by the governor in council. I really do not know enough about the technique of all this to express an opinion, but there must be a reason for limiting it to "all things approved by the governor in council". But if it is agreeable to the department, I have no objection.

Mr. BLACKMORE: Mr. Speaker, I do not see any advantage in changing "a" to "one only." It looks to me as though that limits the effectiveness of the act; it limits too much the minister's power.

Mr. GARDINER: I am told by the legal authorities that it does not make any change in the meaning. My understanding from the explanatory note which I have from the other place is that the draftsman there thinks that it more nearly expresses what the

amendment was intended to express. It is in these terms: "'Cooperative association' means an association of primary producers having for its object the marketing under a cooperative plan"—this is changed to read: "under one only cooperative plan—or agricultural products delivered to it for sale." I am informed by my own officials that this does not change the meaning, and we thought if it is more agreeable to those in the other place we would take no exception to the change.

Mr. HANSON (York-Sunbury): Assuredly this would be more certain.

Mr. DOUGLAS (Weyburn): May I draw the minister's attention to the fact that the other amendment, that is the one in section 4, does make a serious difference as has already been pointed out. The difference will be that the original draft proposes a report of the proceedings. That would really be an annual report of the proceedings under this act. What the amendment would provide would merely be a list of orders in council. I have not before me a copy of the whole act, but I believe the minister to have power under the act to issue regulations without an order in council. Would it be necessary to bring those down? It seems to me that not only does this limit the sphere, but it is a different thing altogether; it is a list of orders in council; whereas, as the minister had the section drawn originally, it would provide for an annual report upon this branch of his department. I do not want to be adamant about it, but would it not be wise for the minister to meet with a committee of the other place or make some inquiries or representations, and see if what they have in mind could not be clarified and some harmonious arrangement arrived at?

Mr. GARDINER: It went to the banking and commerce committee of the senate and was fully discussed there. An official of our department was there while it was being discussed, and we take no exception to the change which they suggested. I believe that the men who were suggesting or discussing it are eminent authorities in connection with draftsmanship and legal matters of this kind. They seem to feel that the amendment more correctly expresses what was desired. We in the department are prepared to accept that. I venture to say that so far as the bringing down of the report is concerned, it will make no difference; we intend to bring down a full report.

Mr. SPEAKER: I may point out that we are dealing with amendments to the bill, and what is now proceeding is what usually happens in committee.

Motion agreed to, amendments read the second time and concurred in.

MUNITIONS AND SUPPLY

AMENDMENT TO CLARIFY AND EXTEND POWERS OF MINISTER, ETC.

Hon. C. D. HOWE (Minister of Munitions and Supply) moved the second reading of Bill No. 41, to amend the Department of Munitions and Supply Act.

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

On section 1—Definitions.

Mr. STIRLING: Mr. Chairman, on the second reading the minister did not have or did not take the opportunity of making a statement with regard to this amending bill, which is, apparently, going to produce extensive changes in the department. I wonder whether he would outline at this stage, or at a stage which he chooses to use, something with regard to the extent of and reasons for these great changes.

Mr. HOWE: This bill does not make extensive changes in the present authority of the department. However, it does make extensive changes in the Department of Munitions and Supply Act as passed in September, 1939. Since that time, due first to experience under a war supply board which was organized with powers very similar to those given to the department under the act, a number of important amendments have been made under the powers of the War Measures Act, and it is the purpose of this bill to consolidate the amendments which have been made by order in council and to include some new provisions as set out in the bill itself. The changes resulting from orders in council and the changes resulting from new measures introduced into the act at this time are so diverse that it is hard to cover them in a single statement, but I believe that if we follow the bill paragraph by paragraph, the changes will become evident from the text of the bill.

Mr. STIRLING: The very one that we are at now, if, Mr. Chairman, you are at paragraph (a), "defence projects"?

The CHAIRMAN: Yes.

Mr. STIRLING: That one, surely, is a considerable extension of the powers under the original act, in that the minister will now be in a position to carry out "construction, erection, repair, improvement, maintenance or extension of such defence projects."

The CHAIRMAN: I should like to draw attention to the fact that the only new part is that beginning "and shall include the construction...."

Mr. STIRLING: Those are the words that I was then reading. I am turning my attention to that very matter, that whereas previously the department's chief duty, shall I say, was that of preparing by contract to provide, now the department is taking on such matters as erection of buildings and extensions of projects.

Mr. HOWE: It is simply an extension of the definition. Formerly a "defence project" meant the buildings, aerodromes and so on, and it was vague as to just how far we could go. It is now made quite specific that "defence projects" includes construction of the defence projects—the erection, repair, improvement, maintenance or extension of defence projects. However, there is no great change in the work of the department in that regard. Ordinarily the plans and specifications are prepared by the Department of National Defence or by the Department of National Defence for Air; the contract is placed by the Department of Munitions and Supply, and the inspection work is carried on in most instances by officers of the defence department, but in some instances, by arrangement, by officers of the Department of Munitions and Supply. This has worked out as the most convenient and expeditious way of doing the work. Recently there has come up the matter of repair depots for the air training scheme and for aeroplanes generally, and in that case an arrangement has been made so that the Department of Munitions and Supply is itself designing and erecting these buildings, and then placing contracts for the buildings and supervising the buildings and installation of the equipment. This is worked out by arrangement, and this change in the definition makes it quite clear that we have the authority to do all these things.

Mr. MacNICOL: I am wondering whether the bill will include what I have in mind. The term "supplies" includes materials, and the underlined words are "equipment, ships, aircraft, automotive vehicles". In South Africa the government, having the same objective in view which I presume the minister has, namely, the manufacturing of any necessary equipment that can be made in the country for the purpose of winning the war, established an industrial development corporation, with wide powers which I believe the minister should be given under this bill. What is its purpose? To finance or to assist in financing the erection of plants for individuals or corporations who, through their experience, are qualified to manufacture whatever supplies the Department of Munitions and Supply might desire to have manufactured in Canada.

Will the minister have the power to deal properly with a matter of this kind? Suppose a group of men, known to have the necessary qualifications for producing such materials, approached his office, or whatever agency might be set up under the bill; would he or the corporation have the power to say to such a group of men, "Yes, what you desire to manufacture for the prosecution of the war seems good to us. We will undertake to erect buildings or to assist in the financing of the plant or to use a plant not now occupied". I should like to know whether the department under this bill would have the power to do that, as the industrial corporation set up by the government of South Africa has.

Second, will the minister have power under the bill to go further than that, back to the producers of the raw materials? Take iron, for instance. I am sure the minister is thoroughly acquainted with a large deposit of hematite iron which is now being developed some distance northwest of Fort William and Port Arthur. Would the department have the power to assist in financing the production of that ore or the ore of any other mine as material necessary for war purposes?

The CHAIRMAN: I would point out that the ministerial powers are dealt with under section 3 of the bill which introduces sections 5 and 6 of the act.

Mr. MacNICOL: I think the minister could answer the question at this point. I want to know whether the department is going to do anything to assist in the production of materials required for the prosecution of the war, and that I imagine would come under the head of equipment, ships, aircraft and automotive vehicles. Are his powers going to be wide enough to take care of all this?

Mr. HOWE: The department has ample powers to do all the things my hon. friend has mentioned. We have not actually undertaken the development of mines, although we have recently appointed a controller of metal production to investigate resources of that industry, to make sure that we get the output necessary for our requirements. We are every day building additions to plants, installing machinery that we shall own and continue to own, and doing all the things suggested by my hon. friend. Section 6 of the bill deals specifically with these powers, and when we come to that my hon. friend will be satisfied that we shall be able to do what he suggests.

Mr. HANSON (York-Sunbury): The minister is asking us now in this section to crystallize into law, in the form of a statute, powers he has already acquired under an

order in council of April 9. After a study of the bill, that appears clear to me. Under this term "defence projects", as incorporated in the order in council and in this bill, he can of his own initiative, without reference to any other department, proceed to the construction or erection and so on of any of these defence projects. The minister has given us the assurance that the modus operandi will not be changed; but if he wishes to, he can, under the amendment of April 9, proceed with these works.

Mr. HOWE: But there is one definite proviso. The Department of Munitions and Supply has no funds of its own.

Mr. HANSON (York-Sunbury): Of course that is another matter altogether, as to who is to pay for the work. The people will pay for it in one form or another under a legal vote of parliament; but under this amendment to the act, incorporating as it does the provisions of the order in council passed last April, the minister can do any of these things himself without reference to the Department of National Defence, although if there is coordination between the two departments, he will carry on as heretofore. I am wondering what necessity has arisen. Did the department find itself in any way powerless to proceed with this construction, or did it have to go through some other department? What was the lack of power that gave rise to the amendment of April 9? That would be the concrete way of putting the question.

Mr. HOWE: The order in council of April 9 deals with many matters. I presume the principal new power taken at that time was the power to delegate work of the department to government owned corporations. We are discussing subsection 1 of section 1, and that has no real effect except to clarify the intent of the first section. I do not think there is any suggestion of change there. When we get further on, we come to new powers taken and the question could be more properly discussed at that time.

Mr. HANSON (York-Sunbury): If the minister were a lawyer, which unfortunately he is not—

Mr. HOWE: Fortunately.

Mr. HANSON (York-Sunbury):—he would know that the inclusion of the words underlined is an extension of the power under the definition.

The CHAIRMAN: I would call attention to standing order 58 (2) which sets forth that speeches in committee of the whole must be strictly relevant to the item or clause under consideration. This was introduced into the rules of the house for the purpose of avoiding duplication of pertinent arguments that arise under the clauses dealing with the subject. A great deal of latitude is generally given, provided it does not develop too far, in discussing a section of a bill which has some relation to another section of the bill. In section 1, now under study, there is no question of the powers of the minister. There is only a question of definition, that is to say, what does an expression in this bill mean? Under sections 5 and 6 we shall deal with the powers of the minister, as introduced by section 3 of this bill. Without being desirous of curtailing discussion, I would point out that we shall make more headway and the record will be more intelligible if we observe the rules and deal now with the appropriateness of the definitions set out in section 1.

Mr. CHURCH: Under paragraph (e) "supplies", I have one question relating to ships. In view of the widening of the Department of Munitions and Supply Act, I should like to find out what the policy of the government is in relation to shipbuilding. When the minister's estimates were up last year, I raised the same question. I pointed out that Great Britain had two thousand fewer ships to carry wheat than in 1914. Let us not forget that in 1937 there was an empire conference on shipping. What position did Canada take at that great empire shipping conference, knowing that the merchant marine is the back-bone of the empire's sea power? I am not particular as to when the question is answered but would prefer to have the answer now.

The CHAIRMAN: The question would be in order under section 3, but has nothing to do with definitions.

Mr. GREEN: This definition includes maintenance or extension of defence projects. Does that mean that the Department of Munitions and Supply will be in charge of the maintenance of fortifications?

Mr. HOWE: It does not mean that, but it means that we have the power to attend to the work if the Department of National Defence asks us to. This is an exceedingly busy time; the resources of the Department of National Defence are being strained to the utmost; our own work also is very heavy, but sometimes as a matter of convenience the Department of National Defence will ask us to undertake a certain project which is perhaps outside the ordinary arrangement. We have an arrangement that by the request of one minister and the consent of the other, work can be transferred. This simply authorizes us to do work of that kind if we are asked by the minister of another department.

Mr. GREEN: You are really only taking the power to help out the Department of National Defence?

Mr. HOWE: Exactly.

Section agreed to.

On section 2—Application of Civil Service Act and Civil Service Superannuation Act.

Mr. HANSON (York-Sunbury): How much more of a load will this impose upon the public treasury? What is it going to cost?

Mr. HOWE: Does my hon. friend mean the administration cost?

Mr. HANSON (York-Sunbury): No; I mean the matter of superannuation.

Mr. HOWE: This simply means that if an officer already in the service as a permanent civil servant is seconded from his own department to the Department of Munitions and Supply, he does not lose his superannuation rights. No employee taken on from outside the service into the Department of Munitions and Supply has any pension or other rights. He is simply a temporary for the duration of the war; his employment ceases at a certain time after the close of the war. No one can obtain new pension rights in this department, but if he has pension rights, those rights go with him to the department. That same provision is made in the National Harbours Board Act and a number of services outside the government which do not have any civil service rights.

Mr. HANSON (York-Sunbury): But here is a transfer of a contributor, a civil servant, from one department to another. According to the explanatory note on the opposite page, this section preserves his rights as though there had been no break in the continuity of service and as if he had been retired in good standing from his original position. I understand that is the law now.

Mr. HOWE: I am doubtful if that is the case. If a man is taken out of a position he has in the department to what is in effect an outside service, I doubt whether his pension rights automatically follow him. We have been following the practice of keeping him an officer of the department he left, simply borrowing him. This permits him to be transferred and still retain his rights.

Mr. HANSON (York-Sunbury): I agree that if he is transferred to an outside department where there is no superannuation provision, his rights ought to be preserved, but the Department of Munitions and Supply is a department of government and comes under the superannuation act. He is a permanent employee simply transferred from one department to another. However, I do not see that the provision does any harm.

Mr. HOWE: My legal adviser tells me that because ours is a department which dies automatically in three years, employment in our department does not count for civil service time.

Mr. HANSON (York-Sunbury): That is a complete answer.

Mr. MacINNIS: To subsection 4 I have no objection at all; I think it is a perfectly proper provision, if the case would not be covered automatically. As to subsection 5, that in my opinion is quite different. I am wondering if appointments made to the Department of Munitions and Supply should be made through the civil service commission. Because of the nature of the department I assume they will not be. But this section seems to provide that when the Department of Munitions and Supply is disbanded, all employees can be transferred to other civil service positions without having to take a civil service examination, provided they are certified by the civil service commission as fit for some particular position. That seems to be giving an undue advantage to people who may possibly be in the service for only a few months, or for three years at the most. We should be very careful before we approve this section.

Mr. HOWE: Perhaps my hon. friend has overlooked the proviso at the bottom of the page:

> Provided the said person obtains from the civil service commission a certificate to be given with or without examination as is determined by the regulations of the commission that he possesses the requisite knowledge and ability and is in other respects duly qualified for appointment to such position, and for the purposes of this subsection the regulations of the commission regarding layoffs shall apply mutatis mutandis.

As a matter of fact, the Department of Munitions and Supply does obtain its staff through the civil service commission. When the act expires, which it does automatically in three years unless extended, the staff is automatically out, but there is a provision that they can be taken into the service provided they meet the requirements of the commission for the job in question. That is, if it is a job requiring an examination, they must pass an examination; if it is not, they can get the job by showing that they have had the requisite experience.

Mr. HANSON (York-Sunbury): Do I understand the minister to say that all this staff is appointed by the civil service commission?

Mr. HOWE: I think I can say that. Perhaps five or six top positions are not included, but any man who draws a full salary for his services is appointed by the civil service commission.

Mr. HANSON (York-Sunbury): Then may I ask if the civil service commission have been consulted with respect to this subsection?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): And do they approve the principle?

Mr. HOWE: Yes; I am told they do.

Mr. HANSON (York-Sunbury): Then I am satisfied.

Mr. MacINNIS: If these appointments are to be made through the civil service commission, that takes away a great deal of the objection I would have to this section; but if the appointments are not made through the commission but are made by order in council, then because of the very nature of this act, under which the term of employment may be very short, I do not think it is dealing fairly with the general public to give these people the opportunity of going into the permanent civil service. I noticed the proviso which the minister has pointed out, and I mentioned it; but these appointments may be made with or without an examination. Really all that is needed is a certificate from the commission saying they are capable of doing the particular work to which they are being transferred, and that may be done regardless of age. A person may be taken in at sixty-four years of age; he may work for three years or longer, and then be entitled to a position in the civil service, despite his age, without an examination.

Mr. HOWE: A person merely becomes eligible for appointment. Whether the commission will appoint him or what regulations they may impose upon him are other matters. They may require him to take an examination. He is simply on an eligible list. Of course the commission may certify him or not, as they may anyone on an eligible list, provided he has the necessary qualifications for the particular job. This will mean that the employee will not be penalized. If a stenographer is chosen by the civil service commission to work in the Department of Munitions and Supply, her employment will cease automatically when the department goes out of existence, and she has no pension benefits. The only benefit she obtains is to have her name on an eligible list, to be called upon in turn, I presume, or under whatever regulations the civil service commission may impose, as openings occur in the permanent service.

Mr. HANSON (York-Sunbury): Of course the minister will admit that it does give them some advantage over outsiders, although I am not objecting to that at all.

Mr. HOWE: Why should they not have that advantage? After all, in the first instance they were chosen by the civil service commission. They worked for the government during a tremendously strenuous period. It is my opinion that no great injustice is done to anyone if these people, having served during the war, are given the privilege of having their names placed on an eligible list.

Mr. HANSON (York-Sunbury): I am inclined to agree with that. While we are discussing stenographers, I understand that a large number have been put in the grade one category, under which they receive $57 a month. I am wondering if that is the standard wage, because I know some of them find it difficult under present conditions to live in Ottawa and be respectable on $57 a month. That is less than $15 a week; and by the time they pay their board, pay for their meals and dress themselves respectably, there is not very much left. It does seem to me that is a pretty small wage for a girl who has to pass the civil service examination. The competition is very keen, and a girl must be well equipped to pass. The minister has, perhaps, nothing to do with the question of salary, but I suggest that it is a pretty small wage, particularly for outsiders. The situation might be different if a girl is living at home.

Mr. HOWE: I agree absolutely with what my hon. friend has said, but we cannot have our cake and eat it too. I think it is some protection to have these appointments made by the civil service commission. Unfortunately, if we do that, we must accept the commission's valuation of their services. I must say that I protested vigorously, as I think all our senior officers have, at the salaries paid, having in mind the long hours the staff are required to work. We have been carrying on under crowded conditions for the last several months, and because of lack of space we have had to work these stenographers in two shifts. I feel very strongly, as my hon. friend does, that the salaries paid the stenographers and clerks are inadequate.

Mr. MacINNIS: So far as this applies to appointments made through the civil service commission, I will withdraw any objection I have.

Mr. McIVOR: How does this minimum salary compare with what we pay the man who enlists and receives $1.30 a day. I think these stenographers are just about as well

paid as our soldiers, and they have very little risk as compared with the man who is prepared to give his life.

Section agreed to.

On section 3—Ministerial powers.

Mr. HOMUTH: This section gives the minister tremendous powers. I should like to make some observations with regard to the mobilization of industry, and I should like the minister to realize that this is not being said in a critical way.

I consider it important that in his organization the minister should have men with practical knowledge of the various industries with which he has to deal. I know he is gradually getting men of that kind, but for a long time he did not have them and as a result production was held up. We produce certain articles at a cost higher than it should be because of the specifications that are set out. I suppose certain of these specifications were drawn up by members of the ordnance department or members of the civil service who had no practical knowledge of the goods or of the particular industry producing those goods.

I might give two or three instances of what I mean. Shortly after the outbreak of war, our group of industries was called in to discuss a certain matter with a representative of the wool board. At that meeting it was stated that 2,000,000 pounds of a certain product would be required for the manufacture of blankets. I was chairman of our committee, and I said it was impossible to do that because we had not that much stock in this country. Then I pointed out that they were insisting on a gray blanket, and I asked about the necessity for gray. I wondered why they could not have a blanket of a heather shade, but the military authorities wanted gray blankets. At any rate we submitted samples, first to the wool controller, then to another department and then to another department, and after six months of deliberation they finally decided that a heather blanket would be all right. In the meantime large orders of gray had been shipped. They finally got a heather blanket, just as good as the gray, for several cents a pound less. That shows the necessity of having practical men in the department.

A week ago to-day a large order was given for munitions of a certain type. A great many industries that made munitions in the last war tendered for the contract or for part of it. They were told to bid on a specified number of these articles, and those tenders were sent in. The firm submitting the lowest tender got the contract. The minister said several times, "if any industry is set up or able to make these commodities, let them come in and we will give them every opportunity." The difficulty in this instance was that the other industries which had tendered on this particular job were not set up, and in their first tender they had to include tooling up, the setting up of their plant and operations of that kind in preparation for production.

I have in mind two firms, one of which got the contract and the other did not. There was a considerable difference between their tenders. The manufacturer who was high in his bid had to include in it a large sum of money for tooling up, preparing his cupola and reorganizing his factory for the purpose of making that type of munition. The cost of tooling up represented the difference in the two tenders.

While I realize that we must conserve every cent possible in the giving of contracts, yet I believe the time has come when our industries have to be put on a basis where they can produce these articles. I do not think the public would object to the government saying, "Very well; you go ahead and set up; get ready to produce this particular kind of goods. We are prepared to give you a little more on your first tender, until such time as you are in a position to produce." That has been done in connection with other contracts, and if it were done more often it would mean that we would have a large number of industries in a position to produce munitions of war which we are going to need. I am not so sure but that before this war is over, instead of one or two hundreds of thousands of this particular type, we will need millions of them. If we do, then I say we shall have to have the industries tooled up to do this.

The same is true of shell contracts. Many firms which manufactured shells at the time of the last war are not in a position to make them to-day, in so far as the set up of their factories is concerned. They will have to be placed in a position to do so. I believe the minister will agree with me—and I say this in no critical way—when I say that the experience they are having in the production of shells under a contract given in Montreal has not been pleasant. The reason has been that the men who have that contract knew nothing about producing shells.

Mr. HANSON (York-Sunbury): Originally.

Mr. HOMUTH: Yes, originally. And the men placed at the head of that concern knew nothing about it. In fact I believe one man was an automobile salesman. There are hundreds of small factories throughout Canada in a position to make shells, if given an opportunity. They cannot come to the minister

and say, "We are in a position to produce these shells; our plants are tooled up, and we have spent money to place them in that position."

Frankly I should like to see the formation of a munitions board, or a board which would have the power to give out contracts without first having to pass them through cabinet council, or having to go through the various phases through which they now have to pass. I should like to see the minister clothed with authority whereby he or his board could say to those firms, "Go ahead; set up and produce these shells." I believe that power should be given to him. I would point out, however, that our smaller industries are not in a position to go out and spend $15,000, $25,000 or $30,000 to set up to produce these various kinds of munitions of war, on the off chance that they might secure a contract.

We know from experience that they are able to produce, because they did produce in the last war, and they have the mechanics who can do these jobs.

Another point I would bring to the attention of the minister is this: In the construction of new industries I think it would be wise to see that they are spread across the country, if this is at all feasible. I realize that perhaps certain industries could not be developed in Alberta or Saskatchewan, because of the long haulage of materials. But in connection with the manufacture of certain articles—explosives, chemicals or whatever it may be—I believe we would be very wise to establish in western Canada as many industries as we possibly can. I say that for more than one reason. Not only are they out there and comparatively safe—perhaps much safer than they would be in other parts of the country—but we would help the industrial development of the west, a factor which I believe is very necessary. It is not many years ago since we looked upon Winnipeg as only a trading centre. To-day Winnipeg is a manufacturing centre, and an important one at that. In addition, it is a great market for the farmers in the adjoining country.

I suggest that the minister should do everything possible to send industries to western Canada. In Alberta we find gas and oil, and the very finest of manufacturing conditions, and manufacturing could be set up out there if the cost of hauling raw materials or shipping out the finished products were not too high. Regardless of the powers conferred by the measure before us, this is such a tremendous task that I believe the minister should be placed at the head of a munitions board and given full power to mobilize industry, to give contracts and to assist firms in getting contracts and in setting up, without first having to go through any of the red tape of submitting these matters to cabinet council. We are at war now, and under that condition I say we must do things to which in peace time the people might object. However, they would never object to what I have suggested.

Mr. CHURCH: Mr. Chairman, there is a matter I should like to place before the minister while we are discussing this section, namely, the matter of a national shipbuilding policy for Canada. Last year during the discussion on the minister's estimates I referred to the deadly submarine menace of the last war, when of four ships going out only one would come back.

May I remind hon. members that Canada stands fifth among the trading nations of the world. The fact is, however, that to-day there are the most modern of submarines in the hands of Italy and Japan capable of crossing the Atlantic and Pacific oceans without refueling. The minister must not be unmindful of the fact that at the last imperial conference the empire shipping scheme was discussed, and a report made thereon. That report of two years ago is in the hands of hon. members, and last year when the minister's estimates were under discussion I called his attention to it. It was pointed out in the report that at the time of the conference Great Britain had 2,000 fewer ships to carry food than she had in 1914. Great Britain imports over 85 per cent of her food and 90 per cent of her raw materials, and to-day she is involved in the most deadly of all wars.

In the great war our enemies kept the whole world at bay for four and a half years. As a country which stands fifth among the trading nations I ask, how are we going to take care of our export trade unless we build ships and guard our merchant marine? I understand the minister sent a committee to Washington with authority to obtain charters there for ships, but I would point out to him that at that time the Canada Steamship lines had sixty-four ships tied up, doing nothing. During the great war the federal government built twelve or fourteen ships at the foot of Bathurst street, Toronto. At that time I came to Ottawa to see the late Sir Douglas Hazen, then Minister of Marine, who did very good work in that connection. Those were ships of from 8,000 to 10,000 tons, and they carried food to the old country. Their construction involved the employment of skilled mechanics, artisans, steel workers, carpenters and tradesmen of all kinds. As a matter of fact, I believe about seventeen different classes

of skilled workmen, some of whom had been suffering from lack of employment, were then given work to do.

During the war some ships were built at the foot of Bathurst street, and other ships of the Canadian National Railways were taken over. These merchant ships, some of which cost a million and a half or a million and three-quarters, were sold three or four years ago for about $30,000 or $50,000 each.

I should like to give the government a constructive suggestion, and having done so I shall have concluded my observations at this point. We had what were known as the Ottawa agreements. This empire trade agreement cannot exist without sea-borne commerce. After all is said and done, we should support empire trade because that is the basis upon which the trade of Canada and the empire was built. Under the Ottawa agreements Canadian grain was being carried on British ships to the British market with a six cent preference. The three year trade treaty between Canada and the United States expires at the end of this month, and what is the policy of the government going to be if there is a scarcity of shipping? There was a scarcity of shipping when war broke out, and agents of the government went down to Washington trying to lease or charter some United States ships for the merchant marine.

Further, what protection is going to be given our shipping from the deadly submarine menace? I read a report in this house last session in connection with the dreadful disaster that nearly overtook the empire and nearly lost us the war in 1917, when the submarine menace became acute in the Atlantic. Due to the policy of the pacifists ten years ago, Great Britain has reduced her capital ships from seventy to fifty, and these twenty capital ships are needed to-day on the Atlantic and the Mediterranean. What is going to take the place of these twenty capital ships to protect our trade on the high seas when the Atlantic squadron is withdrawn to home waters? The merchant marine has been the very backbone of our commerce in peace time and a considerable help to the royal navy in war. But Canada has been lagging behind in building a merchant marine. Members have been given a report of the shipping conference. What Canada said in effect at that conference in 1937 was that we were not ready for any such scheme, and so it was laid over by Canada's vote. The Ottawa agreements increased Canada's trade with Great Britain by 46 per cent, and Great Britain's trade with Canada by 41 per cent, according to figures which Mr. Chamberlain gave to the British house last session.

[Mr. Church.]

I urge upon the minister that we should have a national war shipbuilding policy for the building of a merchant marine. Our merchant marine during the past four or five years has been carrying pig iron, scrapiron, copper and nickel to our enemies, Italy, Germany and Russia. I received a return the other day on that very subject. What is the government going to do if we run out of ships for our now acute export trade, in view of the very serious trouble in which we find ourselves in addition to the submarine menace? The government should launch a shipbuilding programme on the great lakes, as was done in the great war. We should not be dependent on United States shipping, because the coastal laws are here to-day and gone to-morrow. We want to use Canadian ships, built by Canadian workmen, to carry our trade overseas under the British empire agreements. All shipping crossing the Atlantic will have to meet the deadly submarine menace, and I am sure the minister would have the support of the whole house and the country if he came forward with a large national shipbuilding programme for Canada. Merchant ships of from 8,000 to 10,000 tonnage are a desirable type for carrying food and merchandise on the high seas. Such a programme would redound abundantly to Canada's benefit and would be a great aid to Great Britain.

I urged upon the Minister of Agriculture last session and the session before, in view of the war which everybody saw was coming, to build food reservoirs in England. I urged that as far back as 1937, but nothing was done about it, and the merchant marine has been going down and down. Look at the Welland canal in the riding represented by the hon. member for Lincoln (Mr. Lockhart). Boats have been tied up there for from three to five and ten years with no business. If we had had a national shipbuilding policy, a policy of carrying Canada's trade on Canadian ships, we might have been better ready for the war and to play our part in empire shipping and to take care of our export trade. Great Britain was nearly starved out in 1917; we had not the ships that were required then, and the submarine menace is going to become more acute in the days to come. I do hope that the government and the munitions board will give this matter very careful consideration, as the board did in 1916 and 1917, and come down to the house with a forward shipbuilding policy for Canada.

Mr. COLDWELL: This clause confers very, very wide powers upon the minister. He is given the power to "mobilize and conserve the resources of Canada contributory to, and the sources of supply of munitions of war and supplies and the

agencies and facilities available for the supply of the same, and for the construction and carrying out of defence projects," and so forth. Those are very wide powers indeed, and I would ask the minister why he is seeking them. The reason why I ask the question is that I think the time has come when such powers should be exercised. I believe the shadow of a great disaster falls across Canada and the world; and if we are going to render the maximum aid, I am of the opinion that we should mobilize our industrial and economic resources to the fullest extent. We have heard numerous suggestions for the registration of man-power, largely for military purposes, but I think the lesson of the last month has been that we do not require soldiers as much as we require industrial ability to provide the munitions of war to carry on the great struggle which now faces us.

It seems to me that this clause gives the minister practically all the power he requires to do anything that may be necessary in the mobilization and organization of our economic resources, and I should like to hear the minister tell the committee to-night why he seeks these powers. Does he intend to use them? Is it the intention of the government to mobilize the economic life of this country, industry and finance, and in a non-military sense as well as in a military sense, labour and our other resources, in order that this country may render what I have always thought to be the best assistance she could possibly render, namely, the bringing of economic aid to the allied cause?

At the moment there is no question of requiring large contingents of men for service on the continent of Europe. France has capitulated or is apparently about to capitulate, and the consequent loss of material to the allied cause places upon us the responsibility which we ought to bear to a greater degree than we have done since the outbreak of the war, of furnishing munitions and the mechanical equipment of war. I should like to see the government come before this house soon, or the minister to tell us to-night, that they intend to mobilize our resources even as they are mobilizing them in Great Britain, New Zealand and Australia. All these countries are organizing their resources under public control, and planning efficiently.

Only the other evening I heard a broadcast from the other side by the minister in charge of economic organization in Great Britain. He made the statement that when the new government of Britain took over a short time ago, industry and the manufacture of munitions were in a chaotic condition; that private enterprise had not been able to cope with the present demands of the nation. To-night we heard the suggestion made by the hon. member for Davenport (Mr. MacNicol) that perhaps the minister might enter into a certain kind of agreement with private industrial organizations and even with mining interests to assist in their financing and in the provision of equipment, supplies and so forth for these private interests. Perhaps the government is considering that kind of thing. Let me say that this seems to me the very antithesis of that rugged individualism of which we have heard so much. If we are going to dispense with rugged individualism, I think we should go in for more in the nature of collectivism during this period of war. I believe that whether or not we adopt a policy of this sort to-day, it will be thrust upon us if this war should last twelve months; and it seems to me that we should organize now to meet present and future needs in order that we may cope with the situation which confronts us. It does not matter what we have thought in past days. To-day we face probably the most desperate situation that the British empire or the world has ever been in, and I believe that if we are to develop our maximum strength in this great struggle, we must organize intelligently our economic, industrial and financial resources and our labour power as well.

May I say in passing that I believe, if industry and finance were organized, labour power also would be willing to cooperate in a similar manner. But I should like the minister to-night to tell the committee why he seeks these powers and if he intends to use them. If he does not intend to use them, we should know it, and if it is the intention of the government to mobilize Canadian industry as it should be mobilized, I think the committee should be taken into its confidence, in order that we, as members of parliament from all over Canada, can go back to our own constituencies and our own people and support this effort fully and with full knowledge.

I ask the minister to explain to the committee this evening why he seeks these powers, and whether, and to what extent he intends to use them.

Mr. HOWE: Mr. Chairman, the powers are taken to mobilize industry fully for the prosecution of the war. The extent to which they are used is a progressive matter. We have already availed ourselves of these powers to a considerable extent. In some instances we have built government plants to manufacture munitions of war of types which have no peace-time counterpart.

Mr. MacNICOL: May we ask where these plants are located?

Mr. HOWE: As I said before, I do not care to give the locations. I do not think it is advisable.

Mr. HANSON (York-Sunbury): They might be blown up.

Mr. HOWE: There is one in northern Ontario and there are two in Quebec. In fact, we have several smaller plants in various locations. They are explosives plants, filling plants, chemical plants—all of a kind required purely for war purposes. Where a peace-time operation can efficiently carry on war-time work, we believe it is in the best interests of the country to develop that peace-time industry for the purposes of the war rather than start a new enterprise, government-owned, for the same purpose.

We have used the powers indicated in the bill to dictate the prices at which people shall undertake work. We have gone into a plant and said, "We want this article. The price is so much. You must manufacture that article. If you are not satisfied with that price you can take your case to the exchequer court." We have done that on a few occasions; as the need grows more urgent, we will use this power very extensively. We are getting to the point where, if a manufacturer has a thing which the government needs, we pre-empt it; we pay him what we think is a fair price, and if he does not think so he has, as I have said, an appeal to the courts. In many instances we have imposed our price.

In the last week, of course, the situation has reached proportions which none of us could reasonably have been expected to contemplate as likely to come so soon. With this in view, our whole plans are being reorganized, and reorganized very rapidly. I do not think, circumstances being what they are, I care to state what we may be doing next week or next month, but I do say that the powers we have taken under this act were put there because we believed they were necessary. We believe they will be increasingly necessary. Whether they will be sufficient for all time, I cannot say at this moment.

Mr. BLACKMORE: May I ask the minister whether "resources" in this section means, all the resources of Canada? It says now, "conserve the resources of Canada." Does that mean all the resources?

Mr. HOWE: Yes.

Mr. BLACKMORE: I am very glad to hear the minister say that. This parliament must, sooner or later, and the sooner the better, face the fact that we must not be bound by the principles of orthodox finance. All over the British empire and the United States at the present time and during the last five months, there is and has been a hand of blight which has been equivalent to paralysis, and that hand is lying over the Canadian economy to-day. People in every direction are wondering what is the matter. The matter is our financial system. Now we hear people rise and make slighting, silly remarks about "sound money" and "funny money" and indulge in a great deal of other nonsense. So long as people continue to make remarks like that in this chamber, they are standing in the way of the greatest efficiency of the Dominion of Canada. We must face this situation sooner or later. Unless we face it soon, it will be far the worse for us.

In this connection may I point out the reason why I am very glad the minister has said that this power covers all resources, and why I trust he will use this power to the limit. I am going to recall to those who were in the banking and commerce committee last year certain quotations from its proceedings. The question was asked:

> . . . so far as war is concerned, to defend the integrity of the nation there will be no difficulty in raising the means of financing whatever those requirements may be?

Did the questioner mean exactly what he said? I say he did. Was Mr. Towers wise enough to tell what he meant? I say he was. He knew every word that was used, and what the significance was, and with that full realization he made the following reply:

> The limit of the possibilities depends on men and materials.

There is hardly a piece of land on the face of the earth which has greater possibilities as far as materials are concerned than has Canada. We have everything necessary to build up armaments which, in my opinion, would probably be adequate successfully to face Germany herself. In this age of machines, when men are not so important, we can raise the men, small as our population is, to man those machines. The significance of what Mr. Towers said becomes, then, more impressive. Now notice the next question:

> . . . and where you have an abundance of men and materials you have no difficulty, under our present banking system, in putting forth the medium of exchange that is necessary to put the men and materials to work in defence of the realm?
>
> Mr. Towers: That is right.

In the face of that, let any hon. member tell me why the manhood of Canada is not now at work? Yet on every hand, from one coast of this country to the other, there are tens of thousands of men and women who are not at work and who are eagerly pleading for the privilege of being put to work. Yet in

the presence of this threatening enemy, which is likely to destroy the very British race, we are not putting these people to work nor are we adequately using the resources of all kinds which providence has put within the confines of the country. I propose to have more to say about this in the future, but I have said enough now. I wish to make it clear to the minister that I am taking his words at their face value, that he is being given under this act the power to insist that there shall be put at his disposal sufficient financial means to put the men and material of this country to work producing the kind of fighting machine which the minister well knows Canada can become and which the exigencies of the moment demand she shall become.

Mr. HANSON (York-Sunbury): In response to a question put on the order paper by the member for Prince Edward-Lennox (Mr. Tustin), the answer was given to-day, from the deputy minister of the department, that the services of Mr. S. W. Fairweather, chief of research and development of the Canadian National Railways, had been lent by the railway management to the Department of Munitions and Supply to assist in the organization of the bureau of economics in connection with that department. While he is so engaged, the department will be responsible for his out-of-pocket expenses only. If we have this big battery of dollar a year men, some of the biggest executives in Canada, and a number of other very able men on salary—I happen to know some of them, and some are able men indeed—why is it necessary to organize a bureau of economics? I know this gentleman. I have had some experience with him in days gone by. He is in the Canadian National Railways, and he was good enough some years ago to offer to write a report for the railway committee. He had been in the habit of doing that for the previous administration. Of course, we know that the report was always very favourable. I am at a loss to know just why this is necessary. I realize it is not costing the government anything, but it is costing the country something. Will the minister tell us why it is necessary to have a bureau of economics in this war department?

Mr. HOWE: The bureau of economics has many uses, one of which is to determine, for example, ways and means of using the capacity of the Alberta oil resources to the maximum extent.

Mr. HANSON (York-Sunbury): I have been interested in that myself, but I have been writing to another department.

Mr. HOWE: I think we have that worked out as a result of the bureau of economics. Another thing is the curtailment of unnecessary imports. We import so many millions of a certain commodity. Is this necessary? Can we not step up production in Canada?

Mr. HANSON (York-Sunbury): Coal and fuel oil.

Mr. HOWE: I was thinking particularly of structural steel or steel products. Last year $160,000,000 was spent in imports of steel products. Cannot our own industries be geared up to the maximum extent to supply the consumption necessary to the war-time economy of Canada? I could mention innumerable subjects on which I have asked for studies. The bureau, in the short time it has been in existence, has been tremendously helpful to myself, to the Bank of Canada and to the Minister of Finance. The work has only started, and of the work of the Department of Munitions and Supply not by any means the least important is that of its bureau of economics.

Mr. DOUGLAS (Weyburn): I understood the minister to say that there were some publicly owned munition plants and explosives factories in various places in Canada. I should like to ask two questions: First, how many of such establishments are there? Second, are they publicly owned in the sense that the arsenals at Valcartier and Lindsay are?

Mr. HOWE: Yes. I can count four, and I believe perhaps there are one or two other plants that are publicly owned and operated in exactly the same way as the arsenal at Lindsay, except that whereas the arsenal at Lindsay is operated directly by officers of the crown, we propose to operate these government owned projects through specialized firms. In the management of them, instead of an individual reporting to the minister, a corporation will be organized for the purpose, having expert talent which is not available for direct hire.

Mr. CASTLEDEN: In sections 5 and 7(b) which are being repealed, the minister had only such powers as may be conferred upon him by the governor in council. The section under discussion mentions nothing of that kind. It seems to me that the powers are almost dictatorial here. This may be necessary in time of war, but there should be some time limitation. In regard to the valuation of these industries which the minister is commandeering or taking over, will the department simply set a valuation, at what it considers to be a fair price? Will the paying for them come under this or another department?

Mr. HOWE: The Department of Munitions and Supply have taken over no industries.

We have expropriated land in the ordinary way. In commandeering an industry you go and say, "We want a certain type of production and the price of your product is so much. Go ahead and produce, and if you think you are not being equitably treated you have recourse to the exchequer court. In the meantime, however, we want you to produce and to produce at this price." But we have not actually taken ownership of industrial property. We have not yet anyway.

Mr. CASTLEDEN: What about the powers previously given under the governor in council?

Mr. HOWE: We previously had such powers as the governor in council gave us. We have taken now all the powers there are so that there is not much use in asking for more.

Mr. HOMUTH: I realize that the minister is building up a group of men round him for certain specific purposes. Would it be possible for him to put on *Hansard* or send to members of the house a list of the men for the various departments? There are members of the house who have received certain suggestions at various times. I realize that we are going to face what may be a very serious wool shortage in Canada. If anything happens on the eastern seas and our imports of wool were to be cut off from Australia and New Zealand, it would be a serious matter for the dominion in our war effort, because we produce only about one-fifth of the amount of wool we need in Canada, and some of that is exported. That is, aside from importations of cloth and so on. Something will have to be done about that. I understand that the minister's department is working on the question at the present time to see whether certain substitutes cannot be used. But there are those of us who are associated with certain industries, or we have certain suggestions brought to us; we can see something in the letting of contracts or tenders which has a tendency to slow up production.

I have in mind for instance the package in which the Bren gun is packed. The only thing provided for was an English box or case lined with a woven felt. A woven felt of that type is not made in Canada; we make only a pressed felt. Because the specification called for that felt, it was five or six weeks before the officers could decide that a pressed felt was as good as the woven. Eventually they had to take the pressed felt, but the time taken to reach a decision caused a long delay. Would it be possible for hon. members to have a list of the men responsible in the various sections of the minister's department, so that when matters such as this come up we may know to whom to go? At the present time a man goes from pillar to post until he gets so dizzy that he almost gives up.

Mr. HOWE: I shall be very glad to table the names of the men in the key positions. Really to have the whole organization, the list should include not only the officers of the Department of Munitions and Supply but also of the war-time prices and trade board, which is closely allied, the line of demarcation being that the latter board deals chiefly with peace-time articles whereas the Department of Munitions and Supply deals with war supplies. However, the two work together closely. Perhaps I could have a list of the officers of both organizations tabled and get permission to have it put in Votes and Proceedings.

Mr. HANSON (York-Sunbury): Also where we can find these officers. They are scattered from Dan to Beersheba.

Mr. HOWE: I do not think I can tell hon. members that because there are some I myself have difficulty in finding; they move so frequently.

Mr. HOMUTH: I have one more suggestion. New industries springing up for the manufacture of munitions or whatever it may be, have a tendency to go to establishments that for some months have been working on similar contracts and offer exceptionally large wages or salaries to key men in these plants. The result is to disorganize the whole labour market. As I have said before in this chamber, I do not care how much a man gets; I like to see him get all he can; nevertheless we have to see that industry is not disorganized. I am not sure but that the minister should have some power to say to an industry, "You must not by the offer of an excessive salary, take a man from another plant, which is working on something equally important and thereby disorganize that plant." I realize this is a drastic suggestion, but I believe something like it should be done even by way of warning.

Mr. DOUGLAS (Weyburn): A moment ago I asked a question in reference to publicly owned plants.. I am not clear as to the latter part of the minister's explanation. He said that these were something the same as the Valcartier or Lindsay arsenals, except that a company of specialists not available by direct hire were operating them. Would the minister elaborate that? If the government erects a plant and a group of specialists is in charge, what is their relation to the minister? Are they paid by salary? What is the relation between such a plant and the Department of Munitions and Supply?

Mr. HOWE: Suppose we build a plant for the production of nitro-cellulose, a highly technical product. The only people in Canada who know how to make it are Canadian Industries Limited. We therefore make a management arrangement with Canadian Industries Limited to produce nitro-cellulose at this plant. The payment to them is worked out on the basis of a fraction of a cent a pound produced. That rate is arrived at, having regard to the overhead, that is the service that Canadian Industries Limited must provide to operate the plant. In other words, it is a management fee, and is paid them because they happen to be experts in the technique of that operation. Similarly, if we are making a complicated acid, we may make a management arrangement with someone who is expert in the making of acids and is in a position to handle the job as we could not possibly do by drawing on the technical resources of Canada.

Mr. DOUGLAS (Weyburn): Do I understand that the government pay all the costs and then pay a fraction of a cent on each pound of product?

Mr. HOWE: The government owns the plant. It pays a management fee. When I say so much a pound, it sounds a great deal, but it is almost an infinitesimal rate. We buy certain services of a corporation which is able to render those services, but I assure my hon. friend that it is a very reasonable fee.

Mr. DOUGLAS (Weyburn): Does the government hire the labour?

Mr. HOWE: Yes.

Mr. ROSS (St. Paul's): Has the department any branch which looks after the placing of skilled labour? For instance, some time ago I understand the minister made the statement that it would not be long before we ran short of skilled labour. I have men coming to see me wanting to know how they can get a job. One man, a mining prospector, a man of brains, says he will do anything. Is there some place that these men can go with a chance of success?

Further, in connection with tenders, deposits are required as evidence of good faith, also bonds are deposited as security for the performance of the contract. One man told me it was not fair that there should be delay in returning these cheques when the contract was let. He said there did not seem to be any finality; they would be kept waiting a month or two after they were pretty sure someone else had the contract, to get the cheque back. He did not want to take on any more work than he could do; he had that money outstanding, and just waited until he got it back.

Mr. HOWE: A certified cheque is not always necessary. On the more important contracts a deposit in the way of a bond or certified cheque is required with the tender. Tenders are dealt with as expeditiously as possible, and of course when a tender is accepted, all other cheques are returned. The cheque of the successful tenderers is kept as a surety. But there have been instances where it took some time to close the matter. Often we buy for another government, and the tender has to be referred to that government for confirmation. There have been delays, although they are getting fewer all the time. The department does make a real effort to deal expeditiously with tenders and returns the cheques as soon as possible.

Mr. ROSS (St. Paul's): And what about the skilled labour?

Mr. HOWE: I think the Department of Labour has elaborate machinery for dealing with the placement of labour, through employment offices located at key points throughout the country. I understand most employers use that service. Of course we in Canada have always felt, as I still feel, that labour is a free agent and that no coercion should be used upon it. In connection with moving from one employer to another, I realize that some dislocation is caused by one firm stealing the employees of another, but there again I say it has always been my view that labour should be free to work where it will.

Mr. LOCKHART: I do not want to bring hypothetical cases to the attention of the minister. I want to refer to actual matters with which I believe the minister can deal under the great latitude he is given in this bill. I have in mind certain mechanical equipment largely manufactured in Canada by plants established here before the beginning of the war, in connection with which it has been found necessary to secure certain parts outside Canada. For instance, we hope to be manufacturing large quantities of tanks in this country at an early date. A question has arisen with regard to the painting of these tanks. When you paint a tank with the idea of reducing the visibility, you cannot use two kinds of paint, and some difficulty may arise in that connection.

In the light of the statement made by the Minister of Labour to-day, in which he expressed disappointment because less employment had developed than was expected, it seems to me that under the powers given the Minister of Munitions and Supply, he might very easily arrange to have certain small equipment produced rapidly in Canada rather than go out of Canada to obtain it.

There is another plant of which I have knowledge, producing mechanical equipment for which there is dire need, being held up by a lack of certain small bearings. I appreciate that this also involves the British supply ministry; but the equipment is being manufactured in our factories, and I hope under this measure the minister will have sufficient power to deal with little questions of this kind so that equipment urgently needed may not be held up for three weeks or more. I trust the minister will utilize every available industry, under the powers he is given here, so that I may not again hear a report such as the one that reached me this week-end, of a thriving industry which laid off fifty men last week. I am sure if the minister would allow his men to go into such little details, a great deal could be done to expedite the manufacture of these essential supplies. These are small matters, perhaps, but they all mean employment. I hope the minister will keep these things in mind, and I should be very glad to give him full details of these matters if he would care to have them.

Mr. MacINNIS: I should like to say just a word or two in reference to the minister's reply to the hon. member for Weyburn with regard to the management of these publicly owned plants. I realize that under the circumstances such technical skill as is required in many of these plants may be very difficult to locate in this country, and that possibly the minister had no alternative than to follow the policy which he adopted. However, it seems to me it may ultimately be a dangerous policy. The government build the plant, put in the machinery and pay for everything. Then they ask another organization, another company producing the same article, to come in and run that plant. Obviously then the country is at the mercy of this company; and when the war is over, we shall have an agitation to turn over a great deal of property to private interests. That is exactly what happened in Great Britain after the last war. The government there muddled along for nine or ten months, I think from August to May, before even forming a ministry of munitions. Then they formed that ministry, and got munition factories operating on a scale that could never be approached by private companies. But when the war was over, the whole thing was turned over to a private organization, and when the present war began they were in just about the same mess as that in which they found themselves in 1914.

Undoubtedly it is difficult to get experienced men for these positions, but I do not think it is impossible. While we may have to accept management of this kind, I think the government should lose no opportunity of finding suitable men to take over, who would be in the employ of the government itself, who would have no other outside interest. In that way we would hold for the country its plants and their equipment.

Mr. JOHNSTON (Bow River): Perhaps the thing we lack most in our war production is skilled labour, and I believe that is one of the matters which will have to be gone into thoroughly before very long or, at the end of another nine months, we may find ourselves in the same position as we are in to-day. In my opinion our production of war materials is not satisfactory. Undoubtedly several factors may enter into that, but with the exception of raw materials I think one of the principal factors is the lack of skilled labour.

The Department of Labour has initiated a plan to encourage the training of skilled men. I have before me a schedule of labour conditions applicable to contracts for aircraft manufacture and overhaul awarded by the war supply board. Class "C" comprises workpeople of not less than eighteen years of age, inexperienced in aircraft manufacture, engaged in training for class "A" or class "B" production workers, the period of training not to exceed three months. These workers are paid 35 cents an hour. Class "D" comprises boys under eighteen years of age engaged in training for class "A", class "B" or class "C" production workers, the period of training to be for not less than three months or more than nine months. During the first three months' period these boys receive 20 cents an hour. During the second three months they receive 25 cents an hour, and during the third three months they receive 30 cents an hour. Labourers are paid 40 cents an hour. After that they may be promoted to the apprentice class, described as follows:

Apprentices (indentured, between the ages of 16 and 21 years) may be employed in the proportion of one apprentice to each five journeymen in the following trades: Fitters, machinists and sheet metal workers:

	Cents
First year	20
Second year	25
Third year	35
Fourth year	45

That is fairly good pay in the fourth year, but this is a long range plan covering a four year period, and I am quite satisfied that this is entirely the wrong technique to use. We have technical schools which will guarantee to turn out in four years people with not only mechanical skill but secondary education as well. They give them cultural education along with mechanical training. However, in

this great time of rush and hurry, I do not think it is necessarily desirable to turn out skilled mechanics in all the crafts, because in these days of mass production a man has to be skilled in only one particular. I can see great dangers in this method of training, because some of the boys who go into what are known as the learner classes come right out of technical school, and after three or four years of training in those technical schools they are supposed to have some elementary knowledge of mechanics, and some information respecting the different crafts. When they come out of the technical schools, after the period of three or four years, they go into learner classes, with a schedule of from five cents to twenty cents.

A few days ago I understood the minister to say that none of those boys was on production. I believe he is wrong in that statement, because I have had the experience of going through one of the plants in question—and I should like to have it understood that I am not criticizing it particularly. I am offering suggestions in an endeavour to see if we cannot get a greater number of skilled workers in a less time, because we know the need is urgent. Some of those boys in the learner classes had worked only three or four months, and while they were in those classes they received the required wage, according to the schedule drawn up by the government. That is, they received ten cents or twelve cents an hour, and then they went into the apprentice class, their pay then jumping to twenty cents an hour.

The other night when I referred to these people I understood the minister to say that they were not on production. I believe he is in error when he makes that statement. Some of the boys in the apprentice classes are under the supervision of other skilled workers. All that is true, but in the other class into which they go they are absolutely working on parts which are used in the production of aeroplanes. They may be welding or fastening gasoline tanks, or fastening some part of an engine. The fact is, however, that the units they manufacture go into the production of the finished article.

I do not care who the manufacturer may be; when there is a manufacturer who has labour to which he does not pay more than twenty cents an hour, despite the fact that he is receiving a good price for his contract, I do not think the worker is being given fair treatment. There is no inducement under those circumstances to encourage other mechanics to come in.

Then, in connection with most of these classes of apprentices and learners I believe the age is too low. Over a long range plan it might be an excellent idea to start them between the ages of sixteen and eighteen years, but I am quite confident that there are hundreds of garagemen in Canada with a good working knowledge of mechanics who could go into those learner classes and who in two or three months would be skilled sufficiently in one particular operation to take an active part in the production of aeroplanes.

A few days ago I received from the principal of a technical school a letter in which he states, in part:

> To become a skilled worker in my opinion a four-year apprenticeship course is still necessary.

He is speaking there of both cultural and mechanical training. He continues:

> It is true that a short course of a few months will teach an individual one particular skill, and in an emergency case such can be done. However under the present existing emergency students from technical schools can and are being trained for particular lines in the apprenticeship scheme in two months to fit themselves for production of aeroplane parts.

I believe the plan outlined by the government is a long range plan. But it certainly does not take one year, two years, or three or four years for these men to become efficient in one particular skill. When they become efficient in that one particular skill and are working on aeroplanes or any other machinery of war, and become sufficiently qualified to work on production, they should be paid decent wages. I say that because I believe the lowest wage of a production worker on government scale is fifty-five cents, in any class. That is the lowest rate, and I understand it goes higher than that. When a workman reaches the stage where he is working on production, he should get fifty-five cents an hour.

I am not casting any reflection upon manufacturers, because I suppose they are in private industry to make profit. That is no doubt why they put these young chaps, who are receiving the apprenticeship wage of twenty cents an hour, to work in the manufacture of parts for aeroplanes or war machinery. They should be paying more, because they are getting a proper price for their product. I believe, if we are going to train mechanics, we could do it in a different way. We could have the assistance of technical schools throughout Canada. If it is necessary to start boys between the ages of sixteen and eighteen years—and it may be—then the instructors in the technical schools can give the necessary training for a period of one or two years. In the meantime the government should be availing itself of those mechanics now available in garages and factories not connected with war production. Those mechanics could be

trained in one or two months, so that they would be in a position to play their part in the production of armaments.

One feature in connection with the apprentices who work at twenty cents an hour does not seem fair to me. So far as cost is concerned, the manufacturer enters into an agreement with the government. After consultation, prices for certain units are agreed upon. We will say that the price of a unit may be two dollars. If the company can cut the cost of that unit from two dollars to one dollar, then the government gives a bonus of from twenty-five cents to fifty cents. Therefore, instead of a cost of one dollar, the manufacturer may raise the cost to as high as one dollar and a half. It seems to me that this is a factor which induces the manufacturer to use as cheap labour as he can get so that he may cut the cost of manufacture of that unit, and receive his bonus.

I believe that is a wrong system. In fact I am very much in favour of one hundred per cent government control of those industries, and I feel confident that if in this great emergency the government would take control, it could double its output, and do it at a lesser cost. The time has come when we must get down to business. After all, we have been in the war for nine months, and have had a long range plan in view. Unfortunately, however, Hitler is not waiting for any long range plan; the longer we wait, the more he has us at a disadvantage. The longer we endeavour to carry on a long range scheme of training skilled mechanics, the more inefficient and ineffective we are going to become. The longer we fiddle along with the private manufacture of war materials, the worse off we shall be. Profit is the incentive of the manufacturer. I am not going to say there is no patriotism in their efforts; certainly I would not go so far as to say that; but I do say the chief motive of any manufacturer is profit. That is the point from which private industry operates, and I say the sooner the government takes over one hundred per cent control of such industry, the better off we shall be, and the more safe the people of Canada will become.

Mr. GILLIS: Mr. Chairman, I consider this section as pretty much the meat of the whole proposed amendment, and in this connection I have attempted on at least two occasions to discuss the right of workers in industry to organize. The other day I cited a specific case of discrimination in the newly created war industry of the John Inglis company, and I said that I was pleased to see the minister seeking a clarification and extension of his powers because I believed the proposed amendment would give him the necessary power to organize and carry on the job to its logical conclusion.

His answer to the question raised by the hon. member for Weyburn (Mr. Douglas) puts the operator in a newly created war industry in the position of merely acting as agent for the government, and the government themselves are really the operators. May I ask what is the attitude of the minister and of the department with respect to seeking the cooperation of the employees in these industries through bargaining with them with a view to carrying on the industry in the best interests of the country? I am convinced that one of the most necessary things to the successful operation of industry is the cooperation of the workers themselves. I know that in basic industries in Canada workers are practically at war with the operators in eastern Canada, and in fact from one end of the country to the other. That of course comes within the province of the Department of Labour. But under this proposed amendment, the Minister of Munitions and Supply, in those industries that are created under his department, will be able to operate from the angle of both the operator and the employee, and I would ask the minister what his attitude is in connection with the workers in those industries.

Mr. HOWE: Mr. Chairman, I took the remarks which my hon. friend made the other day very seriously indeed. I investigated every allegation he made, and I find that the statements he made in that case have no foundation in fact, if I can believe the facts as stated to me by responsible officers of the government. I am told by our own men—not by the Inglis company men—that the John Inglis company has a good many trade unionists working in that plant. I am told that the company have stated publicly to our own officers that they had no objection whatever to their workers being organized by responsible union leaders, and I do not think they intend that word "responsible" to be restrictive, particularly. They did say that they did not consider it their business to organize the workers, but they had no objection to the workers organizing if they cared to do so.

I looked into the particular case my hon. friend mentioned in the house. I think it is very unfair to mention a man's name or a firm's in the house, but I can say that the reason why the man was not employed at this plant and is not employed to-day is not the reason that was given in this house. If I did not think it was necessary to protect the man himself, I would be very glad to

give the committee the reason why he is not employed with the company to-day and why he was relieved of his employment there.

I want to say this: It seems to me a popular sport in this house, particularly among hon. gentlemen immediately opposite, to rise in their places and slander the John Inglis company. Let me say that the John Inglis company is playing a part in this war second to none. At the present time they are producing Bren guns some six months ahead of schedule. At the end of the calendar year there is every indication that they will be as far ahead as they would normally have been in the second year under their contract. So much for the Bren gun operations.

The John Inglis company happened to be low bidders on boilers for certain boats. There again they are ahead of their contracts on deliveries. I was told by our inspector that of all the equipment plants he visited, as far as boilers were concerned, this particular plant was the only one that was ahead of schedule.

Again, in munitions plants I have seen special heavy machinery, specially designed for the purpose, with the name "John Inglis Company" on it, and I suggest to every hon. member in every part of the house that this practice of ridiculing, deriding and attempting to injure the standing of the John Inglis Company should cease. It is not in the interests of the prosecution of Canada's war effort.

Mr. COLDWELL: The minister is imputing motives when he says there is an endeavour to injure this plant.

Mr. DONNELLY: What are you doing?

Mr. COLDWELL: I think I have the floor, if the hon. gentleman understands ordinary procedure. When a case as well authenticated as the one in question was brought to the notice of the hon. member for Cape Breton South (Mr. Gillis), who took no part in the Bren gun controversy, he brought it into the house in good faith. He was not taking pot shots at the John Inglis Company or trying to undermine its war effort. He was simply carrying out his duty as a member of parliament, representing as he does organized labour. I might add that the same story that he recounted here was given to me by one of the union officials as far back as last February, and I am surprised to learn that the minister has found that there is nothing in the allegations made. Why then, if there is nothing in the allegations, do they require a man to state on his signed application form whether or not he is a member of an organized labour union? They have, so far as I know, recognized no union in their plant. It seems to me the minister might make a further investigation into this matter before coming to such a definite conclusion regarding it.

Mr. HOWE: This government has labour officers and a Department of Labour, and I would ask the hon. member for Cape Breton South if he ever asked the labour officers of this government as to the situation in the Inglis plant.

Mr. GILLIS: This case was handed to me and I made that clear when I spoke. *Hansard* of last Friday will show that I never mentioned the war effort of the John Inglis Company. I know absolutely nothing about that, and I did not attempt to discuss it. What I attempted to discuss was their attitude with respect to permitting their employees to carry out the laws of this country and engage in collective bargaining. That was the only angle I attempted to discuss, and all the information I have on that question I am absolutely sure of. If the Minister of Munitions and Supply gets in touch with the Department of Labour, he will find that this question was taken up as far as it could be with the Department of Labour, and they could not do anything about it. Accompanied by a responsible union official from Ontario I discussed the matter with the deputy minister of labour, and I am absolutely certain that the matter has gone as far as it could go in that direction. As the Minister of Munitions was asking the clarification and extension of his powers, I thought I would bring the matter to his attention to see if something could not be done under his administration. I repeat, I am absolutely sure of the statement I made. I made no attempt to discuss the company's war effort, but from the information I had, the company had absolutely ignored the laws of collective bargaining. There has been a great deal of correspondence between the Department of Labour and recognized union officials in Ontario with regard to the fact that there has been absolute discrimination.

As to the case I cited here, we did not know why the man was dismissed, and the company absolutely refused to say why he was dismissed. My information is that the Department of Labour have been refused an explanation as to why he was dismissed. If the matter is confidential, the union officials, at least, should have been informed. This union official made the statement in my presence to an official of the Department of Labour that if the company are prepared to divulge the reason why this man cannot be employed, and the explanation is a reasonable one, so far as the union are concerned the matter is at an end. But at the present time the man is under a cloud; he has a family, and they have the

right to an answer of some kind from people who are carrying out government contracts. There was absolutely no intention on my part to scandalize anyone or to discuss things of which I knew nothing. I was pretty sure of my ground when I attempted to discuss the other angle, and I am satisfied that as regards that question I was right.

Mr. MacINNIS: I have not mentioned the John Inglis company during this session—

Mr. HOWE: I was referring to a popular sport in this house.

Mr. MacINNIS: —so I cannot be accused of trying to injure the company or to retard the productive effort of the company in connection with the war. But the answer which the minister gave to the hon. member for Cape Breton South is a mere quibble. I do not say that the minister is quibbling, but I know, however, that every employer of labour who refuses to recognize trades unions professes that he is perfectly satisfied to have his employees belong to a union. Yes—belong to a union in the same way as one belongs to the Lions or the Elks or the Buffaloes or any of the animal tribes that men belong to; but you must not bring your union into questions of employment of any kind, and without that right the mere recognition of a union is worth nothing.

There is only one kind of recognition which is of any value, and that is where the employer bargains collectively with the union through its accredited and elected representatives. That is what we mean by recognition of the union. That is what we mean when we ask, does this company recognize the trades unions? Without that form of recognition we would not have any effective trades unionism at all. Without it, there is not a shred of democracy in industry; for the boss says "Go" and you go; he announces what is the cause of your discharge; he lays down the amount of pay and the rules of discipline. That is the kind of thing which should not be allowed in a country which is supposed to be fighting for altogether different principles. Unless we see to it that those principles apply to the lowest, the poorest, the most helpless in the community, they are not worth much. People in authority are able to help themselves. It is for the helpless we ought to provide safeguards because they need our help. I am convinced that the government should not award a contract to any firm or individual without a proviso that in all matters pertaining to wages and conditions that firm must deal with the recognized union of the trade.

[Mr. Gillis.]

Mr. HARRIS (Danforth): I want to make it abundantly clear that I am not to be included in the observation of the minister when he said that it was a pet sport, particularly of the opposition, to take pot shots at the John Inglis company. This is the first time that I have mentioned the name of that firm. In rising to make two or three observations before the section is carried, my motive is not to harass the minister or in any way to slow down the war effort, which I am anxious to expedite in every way possible. I desire only that one or two observations may be on record, so that officials of the minister's department, who no doubt go carefully over the record of our proceedings, will be a little more cautious in their work and be enabled, perhaps, to avoid the recurrence of certain incidents.

I have in mind one specific case which I wish to bring to the attention of the minister, and which probably comes under section 6, paragraph (d) of the bill:

> . . . to purchase or otherwise acquire and to sell, exchange or otherwise dispose of, any real or personal property. . . .

And so on. I may say that I have yet to make any request of the Department of Munitions and Supply. I do not purpose to advise them in any way unless it be to help them to expedite the work they are doing. I have even hesitated to take up the minister's time with regard to the case I am going to recite. I am not criticizing the minister in any way or, in making the following recital, am I criticizing the department, but I am asking those charged with the responsibility of the different branches to be very careful in awarding contracts.

In the case I have in mind, tenders were called for the erection of a depot in the city of Toronto for the storage of supplies. A price of $130,000 was put in by the H. A. Wickett company. It was rumoured that they were the successful tenderers. This was of course unofficial, but I mention it because, in the *Daily Commercial News* under date June 12 it was reported that the H. A. Wickett company was said to be the lowest tenderer for this particular building. This company has been established in Toronto for some sixty years. They are the contractors who built, for example, the Ford hotel, the Windsor Arms hotel, and a small village for the Ontario hydro electric commission; in fact they have done a great deal of work, running into many millions of dollars, in that area. It so happens that the place where they carry on business is within three or four hundred yards from where this depot is to be built. My information is that they were the low tenderers, that they are quite capable

of doing a real job, and indeed that they are peculiarly well equipped for this particular kind of work, as it has been their forte for over fifty years. Nevertheless, I am given to understand, a concern with its head office in Winnipeg has got this particular job. There may be reasons for that, but the transaction does not inspire confidence in our Department of Munitions and Supply; and if the reasons are valid and the disclosure will not embarrass this company, I believe they ought to be given. I raise this point because it will be readily understood how embarrassing it is for an old-established company that in the *Daily Commercial News* it is reported, unofficially of course, to have got a certain contract, and two or three days later it appears that another firm has received the contract. Such things are detrimental to the interests of the particular concern.

I do not say that improper influence was exerted upon the department, but may I remark to hon. members of this committee that no member, on whichever side of the house he sits, should bring any influence to bear in order to switch a contract from one firm to another. For members of parliament to race down to the Department of Munitions and Supply to try to get work for particular firms in their districts is, to my mind, not fair to Canada's war effort. It is quite all right to vouch for firms, to say they are reliable people, that they are well-equipped and can do a real job. It is our duty to pass on such information to the government to assist it in every possible way. But it is certainly not the duty of hon. members to influence the switching of contracts in any particular direction.

While I am on my feet I will make one other observation, although it might come more properly under section three:

> The minister shall have authority to engage or make use of the services of any person, firm, corporation . . .

And so on. It is in regard to the loading up of the civil service with staff of all kinds. I do not want to bother the minister so much as the organization looking after personnel in cooperation with the civil service commission. I suggest that we do not load the civil service commission for generations to come with hundreds of employees. This year the employees in the Department of Agriculture have increased from 1,952 to 1,995; auditor general's department the same; civil service commission, from 160 to 178; external affairs, from 156 to 175; finance, from 1,124 to 1,128; fisheries the same; insurance, from 50 to 51; justice, from 966 to 1,157; the next half dozen about the same; a small increase in the post office from 10,790 to 10,975; Prime Minister's office, from 16 to 18; privy council, from 19 to 20; public works, from 1,754 to 1,771, and so on. I can understand some of these departments requiring extra personnel, but I cannot understand the Department of Public Works, of all departments, having an increase in civil service personnel. The personnel of the public works department, the architects branch and all the other branches looking after public buildings could be switched over to look after buildings required for the munitions and supply branch, including airports, aerodromes all across the country, and so on. Putting more personnel into these departments and making provision for them under the Civil Service Act, at the same time leaving the Department of Public Works with an increase this year, is something that should be given consideration by those charged with the engaging of personnel in the branch known as munitions and supply.

Mr. ROEBUCK: I wish to make one observation with regard to the John Inglis company. That firm is located in my constituency. Their office is within a few blocks of my own law office. I live in the same town. I have come into touch with the company a good deal owing to the fact that so many people ask me to try to get them on the staff, and the real objection I hear against the John Inglis company is that they do not employ more men rather than that they should employ less, because they have had a very large number of applications—some 12,000 a few months ago. In view of the criticism of the company, I think it is only fair to say that I am in a position to know of any objections made against the company, and I have heard none. I do not profess to know the details of the incident to which my hon. friend has referred, nor am I omniscient in the way of information concerning objections, but it is worthy of note, in considering the attitude of the company, that the management do protest violently against any charge that they are opposed to unions. I take them at their word, and I do know that, situated as I am close to them, their factory being in my riding, I have never yet heard an objection against their employment practices.

Mr. MacNICOL: I feel that the minister should withdraw the remark he made a moment ago when he referred to "hon. members directly opposite" and accused them of taking pot shots at some company. The "hon. members directly opposite" the minister have cooperated this session with the government and with ministers on every possible occasion, and I do not know of any attack made by

any member of the group directly opposite the minister upon any company in Toronto or anywhere else during this session.

Mr. DOUGLAS (Weyburn): The old section says that the minister shall have authority to control or supervise and, if authorized by the governor in council, to procure, purchase and acquire and enter into contracts and so on. That is provided in paragraph (b). In the new section the minister shall have authority to buy or otherwise acquire, manufacture or produce or otherwise dispose of, and so on. Under the old section the approval of the governor in council was necessary before the minister could make purchases, but that has been left out. In section 8, if the minister enters into contracts of over $5,000 he must have the approval of the governor in council, but I understand that would apply only to munitions. What about the purchasing of land? That would not come under this section, and since the clause requiring the consent of the governor in council has been taken out, anything not having to with a contract such as I have mentioned would not come under this section and therefore the minister himself would be the final authority. Is that correct?

Mr. HOWE: I am not sure whether it is in the bill, but by regulation any transaction involving the expenditure of $5,000 or more requires an order in council.

Mr. DOUGLAS (Weyburn): Even if the minister were disposing of something rather than buying?

Mr. HOWE: Yes.

Mr. NICHOLSON: In section 6 giving the minister authority "to buy or otherwise acquire", does that authorize him to take property which the owner might wish to withhold? Does it give the power of expropriation?

Mr. HOWE: He might buy or rent or perhaps exchange.

Mr. NICHOLSON: Or expropriate?

Mr. HOWE: Yes. It is the ordinary term—"buy or otherwise acquire."

Mr. MacNICOL: Will the minister set up some branch under him to do that sort of work, as I suggested had been done in South Africa, or is the department going to try to carry on that activity itself?

Mr. HOWE: The department does the best it can. It is decentralizing the work as much as it can, delegating it to corporations where the work is adapted to management by a company; but all activities of the department are carried on through the department.

Mr. HARRIS (Danforth): The minister might be kind enough to answer the question I raised touching the policy with regard to contracts.

Mr. HOWE: I happen to know about the Wickett contract. The matter was referred to me for personal decision. The particular depot was urgently required on a certain date and the tenders were very close. There was a little doubt about the ability of the firm mentioned to carry the contract through on time. There was no doubt about the next bidder who happened to be one of the largest contractors in Canada. It was given to that contractor because we felt certain he would carry it through on time. Mr. Wickett called on me and duly protested, and as one old builder to another I said. "You have lost contracts before and so have I; there are more coming; you will get your share." We just did not care to take a chance on a contractor whose capabilities we did not know when there was another whose capabilities we knew very well, for a rush job urgently required for military purposes.

Mr. HARRIS (Danforth): I appreciate the minister's answer. When he says "we" I suppose he means the officers of his department. But if the officers had been a little more diligent in their research, they would have learned that this company was quite capable of doing a rush job on time. I think the minister himself, after having met the party concerned, is of the same opinion now. We will let it go at that, but I would not want to see any reflection on this particular company, and I do not think the minister means any reflection; it is just one of those things that happens in doing a big job. I put these observations on record so that the department will know that even though we are not worrying them, at the same time we are observing what is going on.

Mr. HOWE: I want to make it quite clear that I met Mr. Wickett for the first time in this connection. I had quite a chat with him; I know more about his capabilities now than I did then, but at the time I exercised what I thought was reasonable judgment.

Mr. DOUGLAS (Weyburn): Subsection 3 on page 4 of the bill gives the minister power to incorporate companies or corporations under the Companies Act. Has anything of that kind already been done? What would be the set-up, and the purpose of this type of procedure?

Mr. HOWE: As I have stated we have organized companies for certain purposes. We have a corporation established for the purpose of ensuring a supply of certain raw materials which come from abroad, from sources liable to interruption. It is the duty of this company to keep a sufficient amount of those supplies on hand so that if the source is cut off, we would still be able to carry on war activities which depend on that product. The company is composed of three or four business men of wide experience and high integrity; I think they would all commend themselves to the committee. The company has an experienced manager and has certain capital allocated to it by the government; it makes periodical reports to the government of its operations. It understands its job and does it.

We have another company which is purchasing machine tools, which are the bottleneck of most of the war supply industries. This company buys machine tools from Canadian sources as far as it can, from United States sources as it can. As it takes delivery of these tools, it has them installed in plants that are most suitable, the intention being to anticipate needs and shorten the time required to tool up when a certain type of production is called for. It has performed a very useful service. It is managed by first-class business men who understand that particular work.

Recently we have incorporated a third company, as I have mentioned several times, to be responsible for the management and co-ordination of the government owned and operated plants that are making munitions and to be responsible for the business management of those plants.

Mr. DOUGLAS (Weyburn): Do I understand that the government brought these companies into existence, or did they exist prior to the war?

Mr. HOWE: No; they are incorporated and wholly owned by the government, and the president and directors are appointed by the government.

Mr. DOUGLAS (Weyburn): And are responsible to the minister, and make annual reports to him; is that the idea?

Mr. HOWE: Quite.

Mr. FRASER (Peterborough West): Has the government stopped the export of iron, steel and scrap iron?

Mr. HOWE: We have appointed a steel controller who has complete charge of the import and export of any iron or steel product, and he is now in control of the situation.

Mr. CRUICKSHANK: Are we exporting any scrap iron?

Mr. HOWE: Not in the last few days anyway.

Mr. CRUICKSHANK: Have we exported any recently?

Mr. HOWE: I could not say; perhaps we exported a little and imported a little, but from now on Canadian scrap is very carefully controlled, and will be. The import or export of any steel scrap or steel finished product will be by permit of the controller, and I think we have the situation well in hand.

Mr. CRUICKSHANK: Will any more scrapiron be allowed to go to a foreign country?

Mr. HOWE: I think I can confidently say that it will not be allowed. We have cut down the export as much as possible; it is felt that scrap is something we need in Canada at the moment.

Mr. MacNICOL: That expression is something like, "Yes, we have no bananas."

Mr. COCKERAM: Would that include nickel to every country except the United States, and Great Britain of course?

Mr. HOWE: Nickel is regulated by customs export permits. The Department of Munitions and Supply has not attempted to regulate nickel.

Mr. CRUICKSHANK: Will copper be allowed to be exported to any country unfriendly to the British empire?

Mr. HOWE: That again is regulated by export permits. There are certain regulations covering the export of copper and any base metal. They are administered by the Department of National Revenue. I think none of it is exported to an unfriendly country.

Mr. COLDWELL: What about the exports from the Granby mine? The agreement was renewed recently whereby Japan takes practically all the product of that mine for the next three years. Has that not just gone ahead in the normal way after the government gave permission? And Japan is hardly a friendly country.

Mr. HOWE: Does my hon. friend say it is an unfriendly country? I hope not.

Mr. HANSON (York-Sunbury): Of course the truth of the matter is that in days gone by and immediately prior to the war we permitted this sort of thing to go on. Now, when war is on us, we are endeavouring to, shall I say, cover up the evil by locking the door after the horse has been stolen.

Mr. COLDWELL: But we have not locked the door.

Mr. COCKERAM: I understand the minister stated lately that a controller of minerals has been appointed. Who has been appointed?

Mr. HOWE: It is Mr. Bateman; I think he is president of the Canadian mining institute.

Mr. GREEN: Why is the export of copper and nickel controlled by the Department of National Revenue, while the export of scrap-iron is under the Department of Munitions and Supply?

Mr. HOWE: Scrapiron has been brought under the munitions and supply department recently because it is essential in the manufacture of war materials. There is only a limited amount produced here, and it is necessary to use pig-iron to make up the deficiency; pig-iron depends to some extent on imported ores, hence the desire not to use any more than is necessary.

Mr. COLDWELL: Is the minister taking any steps to organize the collection and shipment of scrapiron? As he knows, there are large quantities of scrap in the prairie provinces. Of course the trouble has been that prices have not warranted shipment of this material to the mills. I was wondering if anything had been done to organize that collection. I believe a real effort could be made in that way, since large quantities of excellent scrap steel remain on the prairies in spite of the fact that a good deal of it was exported prior to the commencement of the war.

Mr. HOWE: My hon. friend is quite correct. It has been drawn to my attention by an adviser on steel that it would be very helpful to the economy of Canada if a blast furnace could be put into operation in the prairie provinces, because there are these stores of scrap on the prairies. Unfortunately that has not been done. I am hopeful that it may be possible to do that at some time in the future, but in the meantime prices of scrap are fairly good and I imagine much of it is now moving to market.

Mr. NICHOLSON: Paragraph (e) of section 6 reads:

> The minister shall have authority—
>
> (e) to mobilize, control, restrict or regulate to such extent as the minister may, in his absolute discretion, deem necessary, any branch of trade or industry in Canada or any munitions of war or supplies;

Would it not be advisable to give this department complete control and authority over the export of copper, nickel and all other metals?

[Mr. R. B. Hanson.]

Mr. HOWE: We think it is our duty to produce munitions of war. If control over these metals were necessary to permit us to produce those munitions, I would say that would be a desirable function of the department, but of course the production of those metals is far in excess of any use this department has for them. So I think the present practice of allowing the Department of National Revenue to control exports is the proper procedure. They have information that we could not possibly obtain.

Mr. MacNICOL: I presume section 7 can be discussed now. I really have very little to say about it, but I am glad to note that under this section the minister has practically all inclusive power. The section reads:

> The minister shall have exclusive authority to buy or otherwise acquire, manufacture or otherwise produce, munitions of war or supplies and to construct or carry out defence projects—

And so on. I want to say that among manufacturers generally I hear favourable comments with respect to the minister; and I am happy to say that my own experience with him, merely by way of conversation with him, convinces me that he has many of the qualifications required to really do a great big job in putting Canada on a production basis to win this war. I am glad to say I have confidence in the minister. He has had a great deal of experience as an active engineer and builder, and in his experience he must have come in contact with many manufacturers and manufacturing plants. Because of that the country will now look to him, as it looks to no other member of the government, really to do something to put Canada in the forefront in the production of materials with which to win this war. We have all the natural resources necessary; throughout the country we have excellent plants that can be speeded up to do much more than they are doing now; we have the men, and now if the minister will take full authority under this section, Canada will do something it has not yet done since war broke out, that is, make available munitions and supplies not only to Canada but also to our allies in Europe.

Section agreed to.

Sections 4 to 15 inclusive agreed to.

On section 16—Power of governor in council under War Measures Act not restricted.

Mr. HOMUTH: Mr. Chairman, we can hardly turn the pages quickly enough to keep up with you.

Mr. CRUICKSHANK: On a point of order, Mr. Chairman; I am a new member here,

but this is a very important matter, particularly to British Columbia. I cannot turn the pages quickly enough to follow what is being done. We do not know what it is all about. After all, there is a war on.

Section agreed to.

On section 17—Coming into force.

Mr. NICHOLSON: May I ask why April 9 is mentioned in this section?

Mr. HOWE: That was the date of the order in council under the War Measures Act which gave the department authority. That is why the date is mentioned here.

Section agreed to.

Bill reported.

HON. T. A. CRERAR

BIRTH-DAY GREETINGS TO THE MINISTER OF MINES AND RESOURCES

Mr. HANSON (York-Sunbury): I understand this is the sixty-fourth birthday of my hon. friend the Minister of Mines and Resources. I should like to take this opportunity on behalf of every hon. member to wish him many happy returns of the day.

Some hon. MEMBERS: Hear, hear.

Mr. CRERAR: Mr. Speaker, I cordially thank the leader of the opposition (Mr. Hanson) for his remarks. I think the information he has given the house is correct. The years seem to pass with increasing rapidity. I should like to thank the house for the very kindly manner in which they have received the remarks of the leader of the opposition.

On motion of Mr. Crerar the house adjourned at 10.52 p.m.

Tuesday, June 18, 1940

The house met at three o'clock.

EUROPEAN WAR

REQUEST OF FRANCE FOR TERMS—EMERGENCY MEASURES FOR ASSISTANCE OF BRITAIN AND DEFENCE OF CANADA

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, at this moment the German and Italian dictators are together considering the request of France for a definition of the terms of an honourable peace. Whatever is the outcome of the conference and the consideration of the inquiries of Marshal Pétain, it appears that effective French resistance on land will soon come to an end. Conditions are obscure. The eventual disposition of the French fleet and air force is at present unknown. The unprecedented offer of Great Britain to form a national union with France, with all the implications of common citizenship, common representation, common defence, and common economic control, has apparently met with a divided reception. The suggestion that Britain and France become the Canada of Europe must strike the imagination of this country. Whether or not it proves a peaceful solution for the present distress of France, it may yet contain the future hope of a peaceful Europe. To-day Mr. Churchill, with his usual thoroughness and blunt sincerity, reviewed the state of the war. Whatever may be the present fate of France, Britain will fight on. That decision is not only Britain's decision, it is also the decision of Canada.

No word of criticism will be found upon the lips or in the heart of any man who surveys with understanding the situation in which France found herself. With her original defences broken, the Maginot line outflanked, her industrial areas and her factories in the hands of the enemy, her troops without adequate food and munitions of war, the streets of her proud capital overrun by the legions of the invader, effective resistance by soldiers whose endurance and fortitude have added new glories to the French name was no longer possible.

We who know the spirit of France know also that, if her soldiers have surrendered to the inevitable, no soldiers in the world could have continued any longer to face the overwhelming odds against which she had battled with such courage. France will arise with a new strength and a new glory from the blood-stained soil on which, three times during the last seventy years, she has fought so gallantly. Her sufferings have been our sufferings. The hallowed French earth where our dead are buried and our proud memorial stands is a part of Canada. In a very real sense she is ours and we are hers. Her romance, her chivalry, her language and her ancient faith are an imperishable part of the Canadian heritage.

If she signifies these intimate and beloved things to a large portion of our people, to the world, to the world of free men she has always personified the eternal truths of democracy and all that belongs to the enfranchisement of the human spirit. A new dawn will follow the shadows of the night. The legions of freedom will yet march again through the Arch of Triumph to the strains of La Marseillaise.

It is for us at this time to consider the new situation in which we find ourselves. I have tried from time to time to forecast the new phases of the war which were obvious, perhaps, to any student of the march of events. To-day it is still necessary, indeed it is more imperative than ever, to examine the situation in its true perspective and to assess anew what may be necessary on Canada's part to meet the new demands.

The plain facts are that the defeat of France has brought the war much nearer home to

Canada. The British isles are threatened with invasion not as a remote possibility but as an impending actuality. It is now wholly apparent that additional measures both for the assistance of Britain and for the defence of Canada are an essential.

The policy which the government announced at the outset of the war of assisting Britain by relieving her of the duty of protecting certain areas in this hemisphere, has been greatly extended in recent weeks. I pointed out in this house on September 8 last that—

> . . . by contributing as far as we are able to the defence of Newfoundland and the other British and French territories in this hemisphere, we will not only be defending Canada but we will also be assisting Great Britain and France by enabling them to concentrate their own energies more in that part of the world in which their own immediate security is at stake.

Immediate measures were taken at that time to assist in the naval defence of Newfoundland. In the light of recent events additional responsibility has been assumed for the military defence of strategic areas there. I am pleased to be able to announce that Canadian armed forces are now on duty in Newfoundland. The house has already been informed of the contribution which Canada is making in the West Indies by replacing British troops with Canadian troops on garrison duty and thus relieving British forces for other duties. The government agreed some weeks ago to a request of the United Kingdom government that Canadian troops should assist in the defence of Iceland. The first contingent of a Canadian expeditionary force have already landed in Iceland. Further units have been detailed and will follow shortly. I need hardly point out the strategic importance not only to the security of the north Atlantic sea lanes but to the defence of this continent of maintaining control of Iceland.

The increased seriousness of the military situation abroad, and the marked expansion of all three branches of our armed services in Canada have served to arouse widespread interest and concern throughout the country regarding the raising and training of recruits. At the conclusion of my remarks the Minister of National Defence for Air (Mr. Power) will make a statement on what is now being done and what additional measures are proposed in connection with the recruitment of Canada's armed forces. A bill will be introduced in the house at once to confer upon the government special emergency powers to mobilize all our human and material resources for the defence of Canada. Although the purpose of this measure will be explained in detail on the second reading, I should like to make one or two brief observations regarding it.

So far as man-power is concerned, it will relate solely and exclusively to the defence of Canada on our own soil and in our own territorial waters. It will enable the government to make the most efficient use of our man-power for the varied needs of modern machine warfare. It is of the utmost importance to realize that success in war to-day depends upon the use of men for the kind of work for which they are best fitted. The armed forces are only a part of the essential equipment of war. The skilled worker in the factory, the transport worker and the farmer, to mention only a few, are as essential to the effective prosecution of war as the soldier, the sailor and the airmen. The mobilization of our resources will not, however, be confined to requiring the services of men and women. The government will have power under the provisions of the bill equally to call property and wealth, material resources and industry to the defence of Canada.

The bill is intended to remove any doubt as to the power of the government and the will of parliament that the whole material resources of the country should be available whenever they are required to meet the needs of the war. The operation of the measure will be confined to the period of the war.

Recruitment for service overseas will be maintained on a voluntary basis. No difficulty has been experienced and no difficulty is anticipated in raising by the voluntary system all the men required for service outside Canada. The bill to be introduced to-day in no way affects the raising of men to serve in the armed forces overseas. Once again I wish to repeat my undertaking, frequently given, that no measure for the conscription of men for overseas service will be introduced by the present administration.

A complete inventory of Canada's man-power and other resources, properly classified, affords a necessary basis for some of the further essential measures of home security and defence, which I have announced. A national registration of Canada's man-power will accordingly be instituted at once. Let me emphasize the fact that this registration will have nothing whatever to do with the recruitment of men for overseas service.

Among others, a national registration of Canada's man-power will have the following immediate advantages:

The national registration will constitute an additional precaution against "fifth column" activities such as sabotage and espionage which conceivably might become more menacing as external threats grow more serious. In this way, it will add to our internal security.

National registration will also provide the government with an inventory of the mechanical and industrial skill of our population. Such an inventory will prove valuable in affording additional information on the extent of our resources of skilled labour which can be drawn upon to meet the needs of essential wartime industries. It will also show the directions in which intensive industrial and technical training is most urgently needed to provide an adequate supply of labour to meet the growing demands of our war industries and other essential services.

I should like here to express the warm appreciation of the government of the valuable work already accomplished through the voluntary registration of women undertaken as a spontaneous contribution to the development of Canadian efficiency in wartime. The fullest use will be made of the results of the register now being completed.

It is the intention of the government also to establish without delay a new department of government to be known as the Department of National War Services, to be presided over by a minister of the crown. Since the war began, thousands of patriotic citizens have expressed a desire to engage in some voluntary war work. As the crisis has developed and will develop, there have come new obligations upon our citizens. The care and housing of evacuated children and of refugees, the provision of comforts for soldiers, the economical use of food supplies, the launching of campaigns for war loans and contributions, agricultural developments, the attraction of tourists—these and many other matters demand organization and direction.

The purpose of the new department is not merely to coordinate the activities of existing voluntary war services. It will be entrusted with the duty of directing and mobilizing the activities of thousands of our citizens who are seeking practical and useful outlets for their enthusiasm and patriotism. Women's organizations, patriotic organizations, commercial organizations, and many other groups of men and women banded together in the national interest offer a vast field of activity for spontaneous service. The object of the new department is to help Canadians to help Canada by their free-will offerings, which have been so generously made and will be so generously continued. The minister charged with the duties of this department will be expected immediately to establish a dominion-wide organization of voluntary service, which will be assisted by branch committees in all parts of the country.

Finally, I wish to announce that for some time past I have been giving careful consideration to means whereby there might be included in the government additional ministers to assist in the direction of Canada's war effort, and whose presence in the ministry might serve to give still further assurance of the power of the government adequately to meet the increased responsibilities with which it is faced. Hon. members will realize that there are many considerations of which account has to be taken in any matter which concerns the personnel of a cabinet.

I might mention as not the least important of these considerations what is required of a minister of the crown in the way of a many-sided experience in the conduct and management of public affairs.

An equally important consideration is whether the talents of leading executives and business men may not be used to greater advantage in high administrative posts, and in an advisory capacity with relation to particular services, than in the ministry and in parliament.

As the house is aware, my colleague the Minister of Finance (Mr. Ralston) expects to bring down the budget before the close of the present week, and thereafter will assume his new responsibilities as Minister of National Defence. At the time that this transfer of portfolios is made, I expect to be in a position to announce the governmental changes and additions at present contemplated.

The situation which I have described, and the measures which I have indicated to meet it, require no further elaboration. The times are the most serious in our history. They hold in their keeping the destiny of Canada as a free nation. I do not doubt the ultimate result, but I realize how arduous and full of suffering may be the via dolorosa along which we must pass before the agony is ended. It is our manifest duty, as it is our unshaken determination, to use all our advantages, geographic, strategic and economic, to preserve liberty for ourselves and to help to preserve it for the British commonwealth and the other nations that yet are free. We must use them to help regain liberty for the victims of bloodthirsty tyranny. The British peoples, who taught the world the meaning of freedom, will defend it to the last. They have become the symbol, the hope and the guarantee of its continuance, and its restoration throughout the world. Endowed by the heritage of Britain and France, with pride in the strength of her youth and the righteousness of the cause, Canada faces what fate may bring with resolute confidence and unyielding determination.

Before I take my seat may I mention to the house that yesterday my hon. friend

the leader of the opposition (Mr. Hanson) was kind enough to come with his colleague the hon. member for Yale (Mr. Stirling) who shares his seat, to my office to discuss the very critical situation which had developed over the weekend. My hon. friend came in a spirit of helpfulness to discuss measures which he thought ought to be brought into force immediately. He spoke particularly of the desirability of stating that an emergent condition exists at the present time which, to deal with effectively, required further action on the part of the government. He spoke to me about the desirability of complete mobilization of man-power and resources, and also made mention of the desirability of adding to the ministry some gentlemen whose names and ability and capacity, along with those who are in the administration at the present time, would help further to inspire general confidence throughout this country.

I mentioned to my hon. friends that I was not prepared to make a statement yesterday, because I had not the information with respect to the situation in Europe on which I would wish to base what I had to say; that I thought, as I mentioned to the house yesterday, it would be well to wait until the Prime Minister of Great Britain made his statement on the European situation before I should make a statement myself. I told my hon. friends, however, that all the measures to which they had made reference were matters that the government had had under consideration for some time. I said to them, what I have frequently said in the house, that there are times and seasons for all things; some matters can be dealt with in a manner which will be most helpful to the maintenance of national unity and security at one time which, were an effort made to precipitate them unduly, might defeat the very ends that we all have in common. I stated, however, that I would to-day without fail make a statement to the house of the measures which the government proposes to take to meet the emergent situation which has developed. What I have said this afternoon has been by way of carrying out that promise and the intention which I had at the beginning of the week.

I should like to express to my hon. friend, in the presence of hon. members of the house, my appreciation of the helpful and cooperative manner in which he and his deskmate met me yesterday in the discussion of these matters of great common concern.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, we have just listened to a notable statement by the Prime Minister (Mr. Mackenzie King). So far as I was able to follow him I take it he is determined that Canada, in common with the mother country, shall fight on. With that purpose I tell him that we, his majesty's loyal opposition, are in the most hearty accord.

As to our gallant ally, France, I could not find words as eloquent as those he used in which to express my sentiments with respect to the position in which France finds herself at this moment. Our hearts are all bleeding for her, and we hope the day will come, as he has prophesied, when she will rise again to take her place as a great nation among the civilized nations of the world.

With respect to the other subjects to which the Prime Minister has alluded, perhaps I may be permitted to refer to them at a later stage in the remarks which I now propose to make.

On Sunday night last there came through the air and over the wires news of the disastrous situation in Europe. On Monday morning we were informed by the press that the French had ceased fighting, and that the new French government was seeking terms of capitulation and surrender. I was impressed with the desirability, yea the necessity, of Canada doing something. Two courses I judged were open to me; either that I should on the opening of the house yesterday move the adjournment of the house to debate the matter as being one of urgent public importance; or that I should seek an interview with the Prime Minister, lay certain suggestions before him and ask him to adopt them. I want this house and the country to believe and appreciate that whether I had adopted the one course or the other, I was deeply moved by the tragic trend of events, that it had not been suggested to me by anyone, but that I was actuated solely by a deep-rooted patriotic desire that Canada should rise to this supreme occasion. I had little time for conference with anyone. I did have the counsel of my friend and colleague who sits beside me, and I did consult with one or two others in the house, and with a friend who is a national figure in Canada but who is not affiliated with any political party. It was the consensus of all that I should not await the opening of the house and then move the adjournment to debate the matter. I myself thought that such a course would savour of party politics and partisanship, which is the last consideration in the world that would move me at this time.

Having regard to that decision I decided to seek and did seek an interview with the Prime Minister, in company with my colleague. We were unable to reach him until 12.30 yesterday. In approaching him I made it abundantly clear, first, that my action in seeking an interview with him was dictated not in any

sense by political or party considerations but only by the terrible situation which had arisen; second, that the controlling thought and motive was that we should have immediate, concerted and extraordinary action for the defence of Canada and for the furnishing of maximum aid to the mother country in this her hour of travail. I also made it quite clear that I was recommending principles rather than details of concerted action.

Specifically I recommended three things: first, that the government should declare that a state of national emergency exists in Canada —I shall allude to that again later; second, that this government propose now to take authority to mobilize all the man-power and all the material resources of this nation for the aid of the mother country and for the defence of Canada; third, that steps should be taken at once to strengthen the government by the immediate inclusion of some of the best brains, intelligence and ability in this country, not on the basis of a union government but on the basis of a truly national government.

I told the Prime Minister in conclusion that if these things were not done, if they were rejected, I reserved the right to appeal to the house and to the nation so that the reaction of public opinion, about which I had no manner of doubt in the world, might be brought to bear on the government to adopt these principles and do the things I had indicated, having regard to the extremely critical situation which had arisen.

At the moment the Prime Minister did not accept my proposal. We debated the matter at some length. He advised me that he had no official news or confirmation of the position in France, as he has to-day indicated; that Mr. Churchill, the Prime Minister of Great Britain, would speak in the British House of Commons this morning; that it was hoped that in twenty-four hours the exact position with respect to France would be clarified and that Mr. Churchill's statement to-day would clarify the position of Great Britain. The Prime Minister then and there requested me to delay the whole matter for twenty-four hours, and that he would make a statement in the house to-day. We left him at 1.05 p.m., promising to consult our colleagues. We did so before the house met at three o'clock, and the consensus of my colleagues in this group was that we had done the right thing in seeking the interview with the Prime Minister, and further that we should wait the twenty-four hours asked for.

The result is known. The house met yesterday and I contented myself with merely asking the Prime Minister if he had any statement to make to the house and the country at that time. You heard his reply. I hope that what I did will meet with the approval of the house and the country; I think I could do no less.

Now, what did I propose? First I proposed a declaration of the existence of a state of national emergency. In our War Measures Act we have no corresponding phrase. They have it in England, and it is coupled with supreme power vested by statute in the government to do anything and everything necessary for the safety of the state. We may have given the government that power now by the War Measures Act, but I doubt it; and if there is any doubt it can be removed by this parliament, on the initiative of this government, in two hours' time. I hold in my hand an abstract from the British Emergency Powers Act, passed May 22, 1940. I propose to read only one paragraph:

> 1.—(1) The powers conferred on His Majesty by the Emergency Powers (Defence) Act, 1939 (hereinafter referred to as the "principal act") shall, notwithstanding anything in that act, include power by order in council to make such defence regulations making provision for requiring persons to place themselves, their services, and their property at the disposal of His Majesty, as appear to him to be necessary or expedient for securing the public safety, the defence of the realm, the maintenance of public order, or the efficient prosecution of any war in which His Majesty may be engaged, or for maintaining supplies or services essential to the life of the community.

A declaration of a state of national emergency means much more than just a question of the powers of the government. It has a psychological significance as well, in my opinion, and a meaning that I would impress upon the government, the house and the country. Among other things it means that this government would realize to the full the responsibilities resting upon it to do its utmost for the safety and preservation of the state and for the aid of the mother country, but it means far more than that. It means that the country, the people of Canada—more particularly those of our citizens who have not a full appreciation of the serious situation confronting us—shall be shaken out of their inertness and complacency and shall be made to feel that this country, this empire and especially our beloved mother country are facing the supreme test for our and her existence and all that it stands for, I venture to think that there is still a large element in our population who are not yet impressed with this serious position, and I would bring it home to them by such a declaration on the part of the government. Their number, I am sure, is rapidly diminishing, yet I feel certain that such a declaration would serve a useful and a patriotic purpose. I suggest that

the government should do this: warn the country, warn the complacent elements in this country, that there must and shall be concentrated national service.

My second proposal followed naturally from the first, advocating that the government ask parliament at once for authority, enabling legislation to mobilize the man-power and all the material resources of the nation for the safety of the state, for the defence of Canada and for the utmost aid to our mother country. We can do no less. We all love Canada. Irrespective of race, class, religion or political proclivities there is not one of us who would not lay down his life, give his last dollar or perform any service for the state at this time of national peril. This country may be invaded by a ruthless enemy within a short time. What position are we in to defend ourselves? None whatever. Without the British navy we are helpless. The responsibility is the government's and the government's alone. It has not the power to-day effectively to defend Canada. I hope it will have that power when this bill is introduced and passes this house. Has the government the will to defend Canada? I believe that now it has. Then let the government arm itself with all the authority necessary, which to-day at least it does not possess. It is true that we have the Militia Act, section 8 of which provides for liability to military service, while section 64 provides that the government may place the militia on active service in Canada and elsewhere. In my view as a legal man that is not quite sufficient. Apparently the government have arrived at the same conclusion, hence the bill which is to be introduced. It is true that the Militia Act goes a long way, and I have heard it argued that the powers contained therein are quite sufficient for every purpose because they provide for the sending of the militia outside of Canada. But nowhere does the law provide for the mobilization of the material resources of the country, the wealth, the industry and the resources of Canada. The government's duty is to ensure the defence of this country. In doing that in some degree at least it will be aiding the mother country.

What is Canada's war effort after more than nine months as a belligerent? For eight months it was pitiful. Since the house met the force of tragic events overseas, the voice of public opinion, the efforts of this party within this house, all have combined to urge the government to greater action. Some progress has been made. In terms of dollars and cents it is made to look impressive, but it is all in the future. I make no recriminations, beyond that, over the lack of action during the first eight months of the war. That is past. It is the immediate future that demands our attention. The government must give leadership, and to give leadership it must be armed with authority which in my view it does not at present possess. To-day it is taking authority in large measure in regard to the particular matters to which I referred, and we shall help the government. We all rejoice that they have gone as far as they have. The responsibility is theirs alone. We offer our wholehearted cooperation, but the lead must come from the government.

On the third point I desire to make it clear that in my opinion the ministry must be strengthened. There are vacancies now existing which must be filled. I cannot accept the view that because of the recent election we have a national government. We have a party government, moved by party considerations, motivated by the party spirit. The result has been that while one-half of the nation is to be called upon to pay, to fight, and, it may be, to die, that half has nothing to say about how our defence shall be carried on. That is not national unity. It is quite the reverse, and in a time of national peril should not continue.

I am not advocating a union government as we had it in the last war; I am advocating a truly national government, to be formed by this administration, with representation from among the best in this house and in the country, and for concerted national effort, so that this nation may present a united front to the common enemy. It was necessary in Britain. It was necessary in two other great sister dominions. It is necessary here. If it does not come, if this government does not move to accomplish this end, this country will not function as it should if we are to present a common front, if we are successfully to defend ourselves. What an electrifying effect such an action would have on the Canadian public, on our neighbours to the south, who are so sympathetic—indeed anxious; and what an effect it would have on Britain!

I beg the Prime Minister, I beg the members of the government, to unite this country under a truly national government. He and they alone can do it. Theirs is the responsibility. Theirs is the power. We can but indicate our readiness to cooperate, as I have done many times. But if they will not give heed, then I appeal to the great voice of public opinion in this house and in the country.

The hour has struck, the time is here. Let us be, in fact and in deed, a united country, banded together for a common purpose,—the

defence of our homes, our loved ones, our nation, and our mother country. Anything else will not do.

Before taking my seat I should like to say a word with respect to the Prime Minister's proposals. He was good enough to send me a summary of the announcements he has made to-day. Of some of them we were already aware, and to-day I believe we are to have a further detailed report from the Minister of National Defence for Air (Mr. Power) respecting the raising and training of recruits for the three armed services.

The Prime Minister has announced that a bill will be introduced to-day to empower the government to mobilize all the resources of the nation, human and material, for the defence of Canada. That is good; everybody will applaud it. Material aid to the mother country will come from it; that result cannot help following. The trend of events in Canada and in the struggle will indicate how much farther the government should go.

I am pleased to note that recruitment for overseas services will be continued. I hope the enforcement of national service in Canada will in no degree retard our contribution for overseas service. If the war is to cease on continental Europe I can quite understand that we shall not require to send as much manpower overseas. But there will still be great need for material things being sent over—there will be the need for food, clothing, and shelter for the aid and comfort of our people. There will be the need for munitions, and then more munitions, and then more munitions, from Canada.

The registration for national service is all right, but I am afraid it is three months too late. This cannot be done in a minute; it cannot be organized in the twinkling of an eye. It should have been undertaken before the house met in May last.

I am pleased to note that the Prime Minister proposes to set up a new department of government to be known as the Department of National War Services. May I suggest to him that there should be set up an inner war cabinet from among the best of the members of his government, a cabinet which will not be charged with the responsibility of administering departments, a war cabinet whose functions it will be to examine all the facts and to initiate policies on the part of the government, a war cabinet that will not be trammelled by the burdensome and onerous duties of administering important departments of government. I have in mind the position in which the Minister of Munitions and Supply (Mr. Howe) is placed to-day. He is overburdened with the work of the greatest department this country has ever known. How can he possibly give attention to any question of war policy, when he sits as a member of the general cabinet? I submit this recommendation to the Prime Minister, in addition to those I have already made. I hope he will take it into earnest consideration, and that as a result there shall be set up in Canada a war cabinet similar to that which has been instituted in the old country, the members of which would be free from the trammels of departmental administration.

I suggest also that the government appoint a minister for overseas who will coordinate our activities over there with the activities of the mother country. We had such a minister in the last war. The provision did not immediately become operative, but it was effective in the later stages of the war, and should have been adopted at an earlier stage.

I am thankful to the Prime Minister, on behalf of the people I represent, for the measures he has already taken. Time, and the trend of events, will compel further action.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, we have felt for some time that the trend of events overseas—and particularly does this apply to the grave news which has reached us in recent hours—required more than general statements from the government regarding Canada's support and participation in the great struggle. We welcome, therefore, the pronouncements made this afternoon by the Prime Minister (Mr. Mackenzie King) and the suggestions which have been placed before the house. The most important announcement, it seems to me, was that measures would be introduced for the immediate mobilization of our resources and our man-power in order that we may conduct more efficiently the war effort. I shall reserve my opinion of the proposed measures until I see them, because I believe the Canadian people ought to expect a guarantee from the government not only that the power will be taken to mobilize property and wealth, but that the power so taken will be used.

Listening to the discussion which took place last night in the house respecting the munitions and supply bill, I must say I was not satisfied with the answers to many of the questions which were put. They seemed to indicate that the government was engaged in the mobilization of certain industries in a form which would place certain private interests in a preferred position. We do not want that to occur, and any support we may give to the mobilization of our man power for economic and military purposes must be predicated upon the determination of the government to demand equality of sacrifice from those controlling large blocks of property and

wealth. We have in our midst vast surpluses of wealth owned by various corporations under new forms of corporate ownership and control. That wealth has already been asked to contribute, at a rate of interest. I submit that if we are going to ask young Canadians to lay down their lives in the defence of our country, we should predicate that request upon a demand that owners of large volumes of wealth and of property should first place that wealth and property on the altar of Canadian sacrifice. That, Mr. Speaker, is the principal point I wish to make in that connection.

I wish also to say to the Prime Minister that in the minds of members on all sides of the house there are to-day many questions which we have refrained from asking on the floor of parliament because we did not wish to invite answers or to leave unanswered questions which might give aid and comfort to the enemy. But we are anxious, in view of the situation that has developed overseas, to know what in the event of certain eventualities this government and this parliament and this country would be prepared to do for the welfare of Canada. Those questions it seems to me ought to be answered. I have heard discussions in the city of Ottawa among newspaper men who seemed to know far more about the views of the government than we who are members of this house. Their views may be the result of rumours that are not well founded, but in any event the time has arrived when, in view of the situation overseas, this house should be taken wholly into the confidence of the government. I admit that certain information cannot be spread across the country through the public press, but at the risk of being misunderstood I repeat that the government should have a private sitting of the house in which many of the questions that are in our minds can be asked and answered so that we may know precisely where we stand.

The other matter that comes to my mind can be discussed better, I think, on the bill. Let me say this, however, before I take my seat. There is no group in this house which, our political and economic opinions being what they are, realizes better than we do the danger of a fascist victory. We know perfectly well that the first victims of fascist aggression in every country have been the men holding the views that we of this group hold, and we can assure the Prime Minister that just as we have in past days viewed with alarm the desertion of collective security and the gradual drift towards war, so to-day we will cooperate with hon. members in all parts of this house to preserve freedom of thought, freedom to worship God as we will, freedom of association and freedom of expression—these freedoms upon which the civilization in which we live has been founded.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, in the special session held in September the group I represent was the only group in this country with courage and vision enough to come forward with the policy which is now advocated. We came forward with that policy definitely and unequivocally, although we suspected that the other parties would endeavour to use it to beat us to death—which they did. It will be realized therefore, sir, that we are prepared now to support this proposal of the Prime Minister (Mr. Mackenzie King). But there are one or two matters which need to be pointed out with definiteness and emphasis at this stage of the game.

When we advocated this policy last year we specifically declared that we stood for the conscription of finance, industry and man-power, and we took pains to point out that the first of these must be finance. It is a most interesting thing that thus far finance has not figured prominently in the speech of the Prime Minister. Last year I pointed this out, that finance, industry and man-power are a three-legged stool, and if you bring in any one of them without the other two, you are bound to meet with disaster. That statement is as true to-day as it was when I made it last fall. Let us be forewarned—I say this not in any spirit of criticism or pessimism or defeatism—that the all-important thing with which to fight this war is money. It will do no good for the government to mobilize mines, shoe factories, sugar factories, munitions factories or any other factories unless the government knows where it is going to find the money with which to run them. It will do very little good to enlist hundreds of thousands of men unless the government knows where it is going to get the money with which to train and support and maintain those men.

Mr. SPEAKER: I do not wish to interrupt the hon. member's speech, but he is dealing with what may come up later in the form of a resolution preceding a bill, and his remarks might more appropriately be made then.

Mr. BLACKMORE: I was going entirely, Mr. Speaker, by what the two previous speakers were permitted to say, but I shall comply with your request. I have said what I wish to say, with the exception of one statement which it is highly important should be made at this time. Unless this government discovers a source of money which is very large indeed, so that the money can run as freely as the goods and services of this country

may run, and so that the money will not create a debt upon this country or an interest burden which future generations cannot carry, then all the measures which are proposed by the government to-day will be futile and will cause us more embarrassment than they will do us good.

I propose, Mr. Speaker, to support the government in the conduct of the war. Above all things we must win this war, but to win the war takes more than talk.

Mr. SPEAKER: I must point out to hon. members that there can be no further discussion on this subject because at the moment there is nothing before the chair. I therefore ask that the discussion now cease, and the house will proceed to the order for motions.

STATEMENT OF POSITION WITH REGARD TO ENLISTMENTS AND RECRUITING IN CANADA

Hon. C. G. POWER (Acting Minister of National Defence): Mr. Speaker, I should like to make a statement to the house as to the position with regard to enlistments and recruiting in Canada.

Canada has now approximately 110,000 men actually under arms and in uniform. These are divided broadly as follows:

Outside of Canada, including Great Britain, army	26,087
Canada, army	64,656
Navy	7,256
Air force	15,594
Total	113,593

The late Minister of National Defence has indicated in various announcements that further recruiting has been authorized on a large scale to provide for the raising of men for the third and fourth divisions and other units of the Canadian active service force, amounting in all to about 30,000 men.

Recruits are now being enlisted at the rate of approximately 800 per day. The whole situation with regard to recruiting these troops has been reviewed over the week-end and instructions issued to intensify activity. I am able to say on the authority of the department of supply that we can at the present moment provide clothing, personal equipment and rifles for 1,200 men per day. As a matter of fact yesterday 1,463 men were enlisted and looked after.

In addition to the 30,000 men the raising of whom was authorized by the late Mr. Rogers, a survey of the field in the light of the war situation, recently developed and still developing, clearly indicates the need of a call for further Canadian active service force recruiting to replace troops taken and to be taken for special duties in Canada and elsewhere, and for forestry and railway troops, as well as corps troops for reinforcements.

Whilst it is impossible to forecast what these requirements will be, authorization was given over the week-end to provide equipment for an additional 40,000 men in addition to the 30,000 men now coming in.

It will be remembered that the veterans home guard has been formed as a corps of the non-permanent active militia, and numbers of that guard can be readily increased as circumstances may justify. The veterans' home guard reserve is also, it will be remembered, part of the non-permanent active militia, and in fact the non-permanent active militia units are made responsible for its discipline and training.

Meanwhile, authority has been given for all the infantry non-permanent active militia units which have not been mobilized to carry on their training in the local headquarters and to recruit to their respective establishments, subject only to the limitation of training facilities.

Similar steps are being taken with respect to certain non-permanent active militia units other than infantry.

Training accommodation and instructional staff will obviously be limited in some cases, but the districts are being instructed to assist in improvising training accommodation and augmenting instruction staff as far as that may be found possible.

From the beginning of the war our militia units have been recognized and dealt with as being the backbone of Canada's defence organization and, as is known, the units of the first, second and third and fourth divisions are all being mobilized, based on existing non-permanent active militia units.

The government intends to follow that policy and has been gratified by the response and by the support which has been given by the officers and other ranks of these militia units.

As has already been stated by the Prime Minister (Mr. Mackenzie King), the government is taking full authority to mobilize the man power of Canada for the defence of Canada. Every ablebodied man in Canada will be given an opportunity of training in the use of arms, so as to come to the defence of the homeland if necessary. The procedure will be that men will in due course be called up for a period of training so as to be prepared for the active defence of this dominion. The training, after due consideration for the requirements of the naval and air forces, will be entrusted to units of the non-permanent active militia which will be recruited voluntarily or filled under the powers of the new legislation according as the facilities for training and accommodation permit.

The length of the period of training will be determined by regulation. Whether this will be for a continuous period of three months or for a lesser time depends: (a) on the advice of the technical officers of the department; (b) on the requirements of industrial and productive man-power as shown by a survey to be immediately undertaken.

The government has received many suggestions with regard to further training of civilians. It feels that enlistment in and cooperation with the non-permanent active militia units across this country will make for simplicity and effective administration and avoid the duplication and confusion of various units under various independent bodies with varying degrees of efficiency due to lack of uniformity in regulations and discipline.

It should be said that anyone who is physically fit and is below the age of forty-five years may and in fact will have not only the opportunity but the obligation to join the militia service of Canada.

The government welcomes suggestions and is at all times ready to consider them, but it believes that citizens will recognize that the responsibility for military direction rests with the federal authorities and their service advisers.

Speaking for the Department of National Defence we feel that all our energies should be first devoted to:

1. The task of recruiting men for service in the Canadian active service force;

2. The immediate training of certain non-permanent active militia units and home guard reserve:

3. The training of men who will be called up under the legislation to which the Prime Minister has referred.

The Department of National Defence is concerned with military matters. Its responsibility is military. The police authorities of this country are concerned with police matters. Their responsibility is restricted to police matters. There is no martial law in Canada, and no need for martial law. Soldiers will continue to be soldiers, and policemen will continue to be policemen. Any attempt to confuse these two functions can have only one result. It will interrupt and impede the most necessary work of the Department of National Defence.

I make a special appeal to ex-soldiers. Discipline and restraint and patience were amongst the qualities that brought us victory in the last war, and will win it for us in this war. No body of men possessed those qualities in higher degree, or learned the lessons which underlie them more abundantly, than the veterans of the war of 1914. The militia service of Canada and the enlarged scope which new legislation will bring, will offer plenty of opportunities to those who are anxious to assist in the defence of Canada.

I may say that the opinions which I have expressed and the appeal which I have made are supported and shared by my hon. friend the minister-designate of national defence and all the technical officers of the department.

Now a word with respect to equipment. The plain facts must be stated to the house. The situation has altered within the past few weeks, even days. Our immediate requirements will be infinitely greater; our sources of supply are not the same. We must discard even well-founded and carefully-conceived plans based on the best technical advice that above all uniformity of design and interchangeability were essential. We must now procure what we can, when we can, where we can.

With regard to personal equipment and clothing our own factory production should suffice. It will be continuous. But even here, I must warn the house not to expect perfection. There will be delays on account of these extra demands. The clothing may not all be of such appearance and design as would gratify the heart of a sergeant-major of the household guards. It is intended to provide covering and a moderate degree of comfort for a citizen army being hastily mobilized.

With regard to rifles, the situation is in hand for the moment, but procurement and production must be provided for the future. Here again there will be sure to be complaint. But let me say this. As recently as ten days ago a very large shipment from Canada to overseas of the much criticized Ross rifle was gratefully acknowledged.

With regard to most types of mechanical transport, our automotive industry has responded nobly and we anticipate no difficulty either present or future.

With regard to other armament—guns, machine guns, tanks, instruments—there will be a scarcity for training, on account of the large number of men with whom we shall have to deal. These articles must be produced or procured. I will not say when, how or where, but I will say this. We are fully alive to the abrupt cessation of our anticipated major sources of supply and we are also fully alive to the greatly increased requirements which we have to meet, and we are taking all steps to remedy the situation. In a word, the present situation is a challenge to the initiative, the energy and the intelligence of the Canadian people. We will meet it and overcome it by the goodwill, by the sacrifice, by the discipline and by the united, concerted effort of the whole nation.

PARLIAMENTARY RESTAURANT

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

That a message be sent to the senate to acquaint their honours that Messrs. Black (Yukon), Dupuis, Edwards, Farquhar, Furniss, Goulet, Howden, Jaques, Laflamme, Lafontaine, MacInnis, McGregor, McIvor, Mayhew, Pinard, Purdy, Rhéaume, Thauvette, Tucker and Tustin, have been appointed to assist His Honour the Speaker in the direction of the restaurant, as far as the interests of the Commons are concerned, and to act as members of a joint committee of both houses on the restaurant.

Motion agreed to.

EMERGENCY POWERS

PROVISION FOR MOBILIZATION OF HUMAN AND MATERIAL RESOURCES IN THE PRESENT WAR

Right Hon. W. L. MACKENZIE KING (Prime Minister): I would ask the permission of the house to present a resolution which will enable me to introduce the bill with respect to conferring certain powers upon the governor in council for mobilization of national resources in the present war. If the house would allow me to do so, I should like to move, seconded by Mr. Lapointe (Quebec East):

That it is expedient to introduce a measure to confer special emergency powers upon the governor in council to admit of the mobilization of all the effective resources of the nation, both human and material, for the purpose of the defence and security of Canada during the continuation of the state of war now existing.

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

Most hon. members are aware that the bill which is to be based on this resolution is similar to one passed in the British parliament quite recently. Hon. members may recall that when that bill was passed by the British parliament it received its three readings in the House of Commons and three readings in the House of Lords in one day. This of course placed immediately in the hands of the government the powers desired. I hope that in view of the situation which hon. members are all aware of, a similar practice may perhaps be followed in our parliament to-day.

Hon. R. B. HANSON (Leader of the Opposition): I am quite in agreement about putting it through, but I should like to have a chance to read the bill.

Mr. LAPOINTE (Quebec East): The bill will be printed and distributed at four thirty.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

Mr. DOUGLAS (Weyburn): We could not hear the Prime Minister. Do I understand that he wishes to have just the resolution put through to-day or the resolution and the bill?

Mr. MACKENZIE KING: I should like to have the resolution passed. I will then introduce a bill based upon the resolution. The bill is being printed and, I am told, will be available for distribution about half past four. I would not ask the house to proceed with the second reading until the bill had been distributed among hon. members, but after they have perused its provisions—they are not lengthy; I believe they are covered in a page—if the house will give its consent to proceed with the second and third readings to-day the government will be greatly obliged.

Mr. DOUGLAS (Weyburn): I would remind the Prime Minister that while, as he has said, the bill in the British house conscripting material resources was passed in a single afternoon, this bill provides also for the conscription of human resources. In Great Britain an act of that sort was already on the statute books. This bill might require some further consideration and we should have at least sufficient time to peruse it before going into committee on it.

Mr. LAPOINTE (Quebec East): The bill is the same.

Mr. CHURCH: Under these special powers this additional recruiting will be for the defence of Canada and to protect Canada's neutrality, and I cannot see how registration of that sort will help the mother country. I do not understand how these special powers will help the mother country, because France has practically failed and if Britain falls there is no such thing as defence of Canada. It will be all over as far as we are concerned.

Mr. MACKENZIE KING: When the hon. member sees the provisions of the bill he will see that the question is answered. He will see how applicable it is to the situation which he is anxious to have met.

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce Bill No. 43, to confer certain powers upon the governor in council for the mobilization of national resources in the present war.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

WITHDRAWAL OF MOTION FOR COMMITTEE TO CONSIDER POST-WAR PROBLEMS

On the order:

Government notices of motion. The Prime Minister:

That a select committee of the house be appointed to study and report upon the general problems of reconstruction and reestablishment which may arise at the termination of the present war, and all questions pertaining thereto; with power to such select committee to appoint, from among the members of the committee, such subcommittees as may be deemed advisable or necessary, to deal with specific phases of the problems aforementioned, with power to said select committee and to such subcommittees as may be formed therefrom, to call for persons, papers and records, to examine witnesses under oath, and for such select committee to report from time to time to the house; and that the said committee shall consist of the following members:—

and that the provision of standing order 65 limiting the number of members on special committees be suspended in relation thereto.

Right Hon. W. L. MACKENZIE KING (Prime Minister): This notice of motion was prepared prior to the opening of parliament. It was thought at that time that it would be desirable to have a committee at the present session make a study of post-war problems. However, I am inclined to feel that just at present there would hardly be the interest in that phase of the war situation, important as it is, that the government would wish to have on the part of hon. members who might be considering a matter of the kind, and that, everything considered, it would be preferable to have the motion withdrawn for the present. If before the session is over it appears advisable to have it reappear on the order paper it could be placed there anew. But I am a little concerned as to whether some misunderstanding might arise if the government at this stage were to ask for a special committee to deal with post-war problems. Some word to that effect I recall was expressed at the early part of the session. Therefore if the house will permit I would ask that this notice be deleted for the present, with the possibility of its being restored later on.

Mr. CHURCH: The wreckage will be so great that there will be nothing to salvage or reconstruct.

Motion withdrawn.

[Mr. Mackenzie King.]

WITHDRAWAL OF MOTION FOR COMMITTEE TO CONSIDER LENGTH OF PERIOD BETWEEN ISSUANCE OF WRITS AND POLLING DAY

On the order:

Government notices of motion. The Postmaster General:

That a special committee be appointed to consider and report:

Ways and means whereby the period that must elapse, under the provisions of the Dominion Elections Act, 1938, between the date of the issue of the writ of election and polling day, may be shortened, and such amendments to the said act as they may deem advisable to effect such purpose.

That the members of the said committee be appointed at a later date, that standing order 65 be suspended in relation to the limited number of members of special committees and that the said committee shall have power to send for persons, papers and records, to examine witnesses under oath, and to report from time to time.

Mr. HOMUTH: Why not delete this one too?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend either was reading my mind or getting away ahead of it. I rose for the purpose, to say that yesterday I had a word with my colleague the Postmaster General about the special committee referred to in the resolution appearing under his name, and it was his view, as it was mine, that this resolution might also be deleted for the present, possibly also making its reappearance later on.

Hon. R. B. HANSON (Leader of the Opposition): I agree with that. And while we are on the subject of elections may I ask the Prime Minister whether the government has given consideration to ordering the issue of writs for the vacancies that have occurred in the representation in this House of Commons?

Mr. MACKENZIE KING: As I have said to my hon. friend so often, there are times and seasons for all things.

Mr. SPEAKER: Notice withdrawn.

UNEMPLOYMENT INSURANCE BILL—WITHDRAWAL OF BILL TO AMEND THE TRANSPORT ACT

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) whether it is the intention of the government to proceed with the unemployment insurance bill this session, and the Minister of Transport whether it is the intention to proceed with the Transport Act amendment bill.

Right Hon. W. L. MACKENZIE KING (Prime Minister): It is most desirable that the unemployment insurance bill should be proceeded with this session, and it is the intention of the government to have it proceeded with.

Hon. C. D. HOWE (Minister of Transport): In view of the developments of the last few days I have informed the officers of my department that I think the transport bill might very well be held over for another session. I would ask consent to have item No. 5 on the order paper, second reading of Bill No. 14, to amend the Transport Act, 1938, dropped from the order paper.

Bill withdrawn.

Mr. NEILL: May I infer from the remark of the Prime Minister regarding the unemployment insurance bill that it is his intention not only to take whatever steps may be necessary by way of application to the British parliament, but also to introduce the bill in all its details into this house and pass it this session?

Mr. MACKENZIE KING: Yes, that is the purpose. May I also say that I am happy to be able to announce that all the provinces without exception, so far as their interest is desirable or necessary, have agreed to the introduction of this bill.

CANADIAN ACTIVE SERVICE FORCE

QUESTION AS TO SUPPLY OF BINOCULARS FOR ARMY USE

On the orders of the day:

Mr. T. J. O'NEILL (Kamloops): I wish to direct a question to the Minister of Munitions and Supply (Mr. Howe). Ever since an urgent appeal was sent out for binoculars the question has arisen in the minds of the people to such an extent that in my home town it has been made the subject of an editorial. Why it is that the government cannot supply these binoculars to the Canadian active service force?

Hon. C. D. HOWE (Minister of Munitions and Supply): The government has had outstanding for many months large orders for optical glasses for army use. There is only one source of supply of these goods in this country, that is the Bausch & Lomb Optical company. It has been suggested, and I think with some reason, that this firm has not been too eager to supply the army needs. Court action was taken against them in the United States some time ago. Our order is still standing, but deliveries as called for in the contract and as promised are not being made. We have a certain stock of glasses, but to supplement present stocks we have made an urgent appeal to all the people of Canada to turn in their glasses to the government either as a gift or to have them valued and paid for, as the owner of the glasses may wish.

Mr. ADAMSON: Has the Minister of Munitions and Supply seen an advertisement in the United States press of the Bausch & Lomb Optical company saying that they have a surplus supply of army binoculars? This advertisement appeared over the week-end, advertising the sale.

Mr. HOWE: I did not see the advertisement in question, but if the type of binoculars advertised is the type we have on order there is a place ready for Bausch & Lomb to dispose of their supply. We have very large orders outstanding.

DEFENCE OF CANADA REGULATIONS

MUNICIPAL AND CIVILIAN CORPS GUARDS—SUBVERSIVE ARTICLES IN WEEKLY PUBLICATIONS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the government a question, to which I referred last week. Will the select committee to consider the defence of Canada regulations passed under the War Measures Act have power to deal with two matters which I mentioned two weeks ago and which the Prime Minister (Mr. Mackenzie King) said he had considered, namely: (1) Giving some recognition to municipal guards and civilian corps guards formed to aid the federal authority, either by amending the criminal code or the Militia Act or the War Measures Act; (2) Will this committee have power to deal with the offensive subversive articles—the word "subversive" is not in the resolution—continuing to appear in some weekly United States papers which are still allowed to circulate in Canada?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The powers given the committee were set out in the resolution. I think they are comprehensive. If in the course of its proceedings the committee should find that it wishes to have its powers enlarged in any way so as to take in other matters, including possibly those to which my hon. friend has just referred, if they are not already included, the committee will be free to consider the matter and report its wishes to the house. I think that would be the best way to meet my hon. friend's desires.

MUNITIONS AND SUPPLY

AMENDMENT TO CLARIFY AND EXTEND POWERS OF MINISTER, ETC.

Hon. C. D. HOWE (Minister of Munitions and Supply) moved the third reading of Bill No. 41, to amend the Department of Munitions and Supply Act.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, before this bill is given third reading—from across the floor I have just heard the remark, "Oh, sit down". I thought Canada was fighting a war for democracy. This parliament is the outward manifestation of that form of society. In my opinion certain people here are in the wrong place. They ought to go some place where they will find institutions more to their liking, where only one person speaks and the rest listen. I want to say thank God we have not come to that state in this country as yet.

I should like to say a few words in connection with this bill before it is given third reading. During the discussion last evening the question of the relation of certain organizations, particularly the John Inglis company, doing government work, and the trade union movement, was referred to. The Minister of Munitions and Supply (Mr. Howe) referred to a discussion which took place in this house I think on Friday last. He made this statement, which appears on page 846 of *Hansard:*

> I am told by our own men—not by the Inglis company men—that the John Inglis company has a good many trade unionists working in that plant. I am told that the company have stated publicly to our own officers that they had no objection whatever to their workers being organized by responsible union leaders, and I do not think they intend that word "responsible" to be restrictive, particularly. They did say that they did not consider it their business to organize the workers, but they had no objection to the workers organizing if they cared to do so.

Last week I had a conversation with Charles H. Millard, director of the steel workers' organization committee for the province of Ontario, and he told me that it was quite impossible to get any union recognition from the John Inglis company. Last night, after the conclusion of the sitting of this house, I wired John W. Buckley, general secretary of the Toronto trades and labour council, as follows:

> What is the attitude of the John Inglis Company to union recognition? Have any of the American Federation of Labour unions a working agreement with this company? Please wire particulars. . . .

I asked in regard to the American Federation of Labour unions because I had already satisfied myself in regard to the Committee for Industrial Organization. To-day I received a wire signed by John Higgins, boilermakers' representative, dated to-day, as follows:

> Angus MacInnis, M.P.
>
> There is no union recognition in the John Inglis plant. Arbitration board applied for by boilermakers on the 15th of May last. No action yet taken on the request. Until the middle of May last the forty-four hour week was the accepted condition in the plant. The change is explained by a quotation from letter received this day from Gerald H. Brown—

I believe that is the assistant deputy minister of labour. The quotation is as follows:

> "As you know the hours approved in the original contract for the Bren gun were forty-four per week, but were extended in the month of November past to forty-eight per week, under government approval." This quotation is the only information the boilermakers had that the change had been made six months later.

In other words the hours of labour in that plant were changed from forty-four to forty-eight, and the men concerned, the men doing the work, the men who had to work four more hours per week than they had worked formerly, were not informed until they inquired of the Department of Labour here some six months later, as to when and why the change was made. I should like to put this on record, because this company has received a substantial and important contract from the government at a favourable rate of profit. Not only do they manufacture Bren guns under that contract, but because of the contract they have the capacity for manufacturing many other articles required by the government of Canada. According to the reply given on May 30 last to a question asked by the hon. member for Melfort, this company already has been paid $1,882,997 and there still remains to be paid on the contract $3,725,826. This means a contract worth some $5,500,000 in all. We should certainly be able to ask a company that has received a contract of that magnitude to give recognition to the workers of this dominion as organized in their trade unions.

As I mentioned last evening, Mr. Speaker, the mere fact that the company allows a man who carries a union card to work in the plant is not union recognition at all. There is no union recognition until such time as the union, through its elected representatives, sits around the table with the company's representatives and decides the wages, hours and conditions under which their work shall be done—in other words the basis on which they will sell their labour.

From this wire and the conversation to which I referred at the outset it is quite clear that the John Inglis company refuses to recognize collective bargaining in its plant. A few moments ago we heard a statement by

the Prime Minister (Mr. Mackenzie King) in which he told this house that the government was taking steps to assure the whole effort of the people of Canada for a single purpose. I hold the view that you cannot get the whole effort of a people so long as the position is such that only one class shall decide questions of policy; that one class shall give the orders and the other class shall take them. We cannot mobilize the efforts of the people of Canada on that basis. It may be all right in Germany, where trade unions have been destroyed. It may be all right in Italy, where trade unions have been destroyed; but it is not now and should not be all right in the Dominion of Canada.

About a month ago the British cabinet was reorganized, and some twelve members of the labour party were included. Mr. Churchill, who became Prime Minister, went outside members of parliament for his minister of labour, and took for that portfolio a man who understood the labour movement, a man who had lived his life among the working class. He selected Mr. Ernest Bevin, the secretary of the transport and general workers' union, the secretary of an organization of the unskilled workers in Great Britain.

I was interested to read in one of the Ottawa papers of June 7 a statement made by Ernest Bevin, made not to the board of trade, not to the British manufacturers' association, or whatever they may be called over there, but to the London building workers' organization. Mr. Bevin said that all his present steps were being taken both to win the war and with an eye to their possible value when the war is over. He continued with this statement:

> The system based on monopoly and big business failed to deliver the goods in our hour of trial. One thing we are producing; we are producing order out of chaos; and chaos it was, when we went in.

I submit that we in Canada could benefit from what is being done and has been done in Great Britain. The working class in Canada is no less intelligent than the working class of the United Kingdom. They will be the people who will build the tanks, the aeroplanes, the shells, the rifles and every other article used in the war. It will be their intelligence, their muscles, their brain and their brawn which will shape and perfect these things, and it will be the working class, largely, who will use them in the field. I said yesterday and I repeat to-day that this government should make it a matter of policy to see that no firm, no individual, no corporation shall secure a government contract who does not recognize the trade unions and deal with them in all matters affecting hours, wages and working conditions.

It is not enough to tell the House of Commons that there are trade unionists in the John Inglis company. As I said last night, if there were not it would be definite discrimination against trade unionists. People in unions throughout Canada would be placed in the position where instead of their trade union membership being a benefit it would be a decided detriment.

I am not going to move an amendment, nor shall I say anything further except to suggest to the Prime Minister that he continue along the line of the course he pursued the other day when he called in representatives of labour and discussed matters with them. I suggest that he continue that policy by insisting that wherever the government gives a contract the firm or firms involved shall negotiate and bargain collectively with the trade unions concerned.

Mr. HOMUTH: Last night the Minister of Munitions and Supply (Mr. Howe) said that he would place on the votes and proceedings a list of men in key positions. When may we have that list?

Mr. HOWE: I asked last night that the list be prepared. There is a good deal of work involved in the preparation of it, but just as soon as it is placed in my hands by my officers I will table it, and ask that it be printed in the votes and proceedings.

Mr. O'NEILL: I rise to a question of privilege. Just as the hon. member for Vancouver East (Mr. MacInnis) got up to speak, an hon. member from this corner of the house said, "Sit down." I noticed that the hon. member who was about to speak looked at me, and I take this opportunity to assure him that I was not the guilty party.

Mr. MacINNIS: I want to assure the hon. member for Kamloops (Mr. O'Neill) that I knew it was not he.

Motion agreed to and bill read the third time and passed.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—UNDERTAKINGS IN GENERAL INTEREST AND FINANCIAL ASSISTANCE TO PROVINCES

Hon. N. A. McLARTY (Minister of Labour) moved the second reading of Bill No. 42, to assist in the alleviation of unemployment and agricultural distress.

Mr. KARL K. HOMUTH (Waterloo South): Mr. Speaker, before the house gives second reading to the bill I would point out that on two or three occasions I have brought to the attention of the Minister of Labour (Mr. McLarty) the fact that some firms are working on cost-plus contracts. Now being asked to speed up and told to rush production of the articles they are manufacturing, in certain instances they have gone out to other firms and tried to hire their workmen. In some instances they have been successful, and have hired the men at greatly increased wages. They have been able to do that because of operating on a cost-plus basis. The other firms which have been working on production of munitions and other supplies for the government, articles just as important as those supplied by the firms of which I complain, obtained contracts by tender. They are now placed at a disadvantage, and I am wondering if some regulation could not be made in connection with the giving of contracts. We are told that we are to have a mobilization of industry and a registration of labour, and I am wondering if something could not be done whereby the rights of labour would be protected, and the workmen would receive proper and adequate wages. It seems to me we could do the same as they did in England at the time of the last war; I believe they are doing the same to-day. No man can be taken from a firm engaged in the production of munition or any other war material purchased by the government unless he obtains a release from his original employer. Wages in such localities are set at an adequate level.

Something will have to be done in this connection, because a serious situation has arisen. I do not wish to name the firms involved, because I believe it would be unfair to do so. The minister may take my word, however, that what I have described is being done, and in fact is prevalent in industry in Canada. Steps should be taken to see to it that the condition does not continue.

Mr. McLARTY: Mr. Speaker, in speaking in answer to the question of the hon. member for Waterloo South (Mr. Homuth) I have no intention of closing the debate but would like to take the opportunity of answering the question immediately. I am advised that at the present time only one cost-plus contract is in existence and is being carried on by the Department of Munitions and Supply.

The difficulty which presents itself in connection with the point raised by the hon. member is that there is inserted in all contracts either one of two clauses, namely: the specifying of appropriate rates for each trade in the particular plant or the application of what is known as clause B requiring compliance with local wage rates and working conditions. These both apply to the minimum wages paid. It would be very difficult, as I know my hon. friend will appreciate, to overcome the difficulty he suggests unless we fix the absolute wage rate.

Certain manufacturers I believe among themselves are entering into an agreement whereby they require a certificate that the employee is not working for another firm before they will take him on their payroll, but it does seem to me that it is more a matter of voluntary action among the manufacturers themselves rather than the government establishing a maximum as well as a minimum wage rate.

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

On section 1—Short title.

Mr. POULIOT: Mr. Chairman—

Mr. McLARTY: If the hon. member for Temiscouata will allow me, I move, Mr. Chairman, that the committee rise, report progress and ask leave to sit again this day.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: Mr. Speaker, if the house will give its consent, we might now proceed with the second reading of the bill to confer certain powers upon the governor in council for the mobilization of our national resources. The bill has been distributed and I think hon. members are already familiar with its provisions.

EMERGENCY POWERS

PROVISION FOR MOBILIZATION OF HUMAN AND MATERIAL RESOURCES IN THE PRESENT WAR

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of Bill No. 43, to confer certain powers upon the governor in council for the mobilization of national resources in the present war.

Mr. MacINNIS: Mr. Speaker, I do not want to discuss the bill now, but I wish to ask that it be left over until after the dinner recess so that we may have an opportunity of looking it over. So far as this group is concerned we have no lengthy discussion to make on the bill, and I do not think we shall hold it up after dinner, but we should like to have the opportunity of examining it.

Mr. MACKENZIE KING: May I say to my hon. friend that if he presses his point strongly, of course I will accede to his wishes, but the government is most anxious to have the bill passed and sent over to the senate after the dinner recess, and if possible passed by the other house so that it may become law immediately. The government had thought of having His Excellency the Administrator come to parliament to-night to give his assent to the bill. What I should like to suggest to my hon. friend is that we pass the second reading now and go into committee, and then if he finds when we are in committee that there is any difficulty about any clause we can postpone the discussion until a little later. The clauses are so simple that I hope my hon. friend and his group will be prepared to see their way to facilitate the passing of the measure this afternoon.

Mr. DOUGLAS (Weyburn): It is not only a matter of the bill being simple; it is a question whether the bill covers all the aspects of the situation that we have in mind. We have had no opportunity to read it over. Parliament has been sitting for a month and we have not had such a bill before us during that whole time. Two hours' postponement cannot possibly make any difference. I think in all fairness to the house we should be given an opportunity to read the bill and to make suggestions and suggest additions if we feel the bill is not complete. While I would be glad to see the bill given its second reading this afternoon, it should not go through the committee of the whole until it has been thoroughly considered.

Mr. MACKENZIE KING: I would suggest if it is agreeable that we pass the second reading now and then discuss the bill in committee with the understanding that we will not report it from committee until this evening. Any further matters hon. members might wish to discuss could be gone on with after eight o'clock, and the bill given its third reading to-night.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, the principle of the bill is involved in the second reading, and therefore I should like to take two or three minutes to call the attention of the house to what this bill means.

With all due respect to the proposed bill, I believe that the defence of Canada is not going to be decided here in Ottawa or in Vancouver or Quebec or Montreal. The defence of Canada is going to be decided over in Great Britain, in the English channel, in France, in the Mediterranean—over there. Glorious France has done its best but unfortunately it has failed of its objective. If Britain falls, what have we in this country? We have not even had a national registration, which I have urged in this house for three years. We have home conscription, but what that means nobody knows. Nobody knows what this bill means so far as man-power is concerned.

Ever since September there has been a great deal of dissatisfaction in Canada over what the government and parliament have done about side-stepping man-power. The country has one division overseas.

But the point is this: The government's whole defence policy is based on two cardinal principles. One is home defence. There is no such thing as home defence. If they fall over there, it is all over as far as we are concerned. The second cardinal principle is to protect our neutrality. The Prime Minister (Mr. Mackenzie King) and the late Minister of National Defence, Mr. Rogers, told us in the special war session that Britain wanted, not men but munitions; and in the regular session last year and this year they said that there are two cardinal principles involved in the defence policy of Canada within the empire.

As I see it, Mr. Speaker, it is going to take two years to train any men who are to be recruited under this bill. It is going to take nearly two years to get them equipped or to secure their equipment for training. True, you may be able to equip them as they do in France and England with dummy weapons while they are in training here, if they have no rifles, and mufti if they have no uniforms. Is this Canada's contribution by this bill to cooperation and coordination with Great Britain? Britain is now left to go it alone against these two dictators, opposed by Germany's six million soldiers and Italy. All we have is the British fleet to protect our shores, and if they fail also, Canada is through. Many people feel that this bill for partial conscription and a compulsory national register in the present war will not go far enough. Every country in Europe has conscription. Everybody knows that all law is compulsion, that one out of three parents would not send their children to school if education were not compulsory. All health laws are compulsion. As I say, we and the United States at present are the only countries without conscription.

I doubt if the people of Canada will be satisfied with this meaningless bill. If the government of the day had encouraged recruiting, we could by now have raised and equipped from coast to coast an army of 600,000 under the voluntary system since war broke out. Who would have thought that France would collapse in nine months? In the Franco-Prussian war of 1870 the Germans were in Paris in six weeks. In this war the Germans have reached Paris in nine months. If Canada does not bestir itself in man-power, food, munitions and all these other vital matters I do not know to whom this country is going to belong next summer or next fall, if Britain fails in the meantime, surrounded now as she is and left to fight the battles of the whole civilized world.

On the second reading of a bill the house adopts the principle of the bill. This bill confers certain special, drastic powers upon the governor in council for the mobilization of national resources of various kinds in the present war. Last fall the late respected Minister of National Defence announced in this house, as did the Prime Minister, that Britain did not want men, that what she mostly required then was food, equipment and so forth. But we find, with war breaking out on many other fronts, that this was not so, and that there is a shortage of trained men and of all kinds of equipment. France could not hold the line against these hordes of barbarians, four or five millions of them. No Maginot fortifications could endure forever. France tried to hold the enemy at bay until Britain and the dominions could come to her support with an adequate army, but she waited in vain for sufficient troops or equipment or support to enable her to hold the line, and the United States failed her also.

As I said at the last session, are we going to wait until Hitler comes to Canada? There is only one course which will stop him now. France, that great and glorious nation which has borne the main brunt of the land attack, has failed, and if Britain fails on the sea, the so-called defence of Canada will be all over, as we have it in this bill which will do little to beat Hitler. Three years ago, two years ago, a year ago in the war session, then when this house met on the twenty-fifth of January, and again on the sixteenth of May last, I proposed the policy of a compulsory national registration all along the line, of man-power, food, industrial and economic power, and a survey of all, large and small, industrial plants. I do not believe that this bill will satisfy our people that they are secure, because we know how weak are our defences, notwithstanding the statute of Westminster, under which we undertook to look after our own protection on the land, the sea and in the air. Our territory extends nearly four thousand miles; yet so far as our home army and home guard are concerned, they could not begin to take care of one or two miles, let alone four or five thousand. Nevertheless any number of volunteers in this war from coast to coast would have been available to make up a force as large as 600,000 if the government had acted during the past nine months and opened up the recruiting offices daily since then. I have seen them recently in Toronto open only four days a week and closed at the week-end, so that young people cannot enlist at all at times, with this "on again, off again, on again" policy.

In my opinion the bill does not go far enough. It is a very inadequate answer to the demand I made the other day in this house, when Italy came in, for compulsory national service, a national register, the calling out of the militia, the creation of armed forces, on land, sea and in the air, commensurate with what we owe to the mother country, and the reenactment of section 98. The principle of the bill is all wrong. If you are going to have an army, only for home defence, what foe are you going to use it against? You say it is for home defence. You say it is also to protect your neutrality—that was the statement made at the last session; it was to protect our neutrality and to help the United States to guard their coasts if their territory was attacked by a foreign foe. We were to protect the neutrality of the North American continent.

I can only say to the hon. member for Rosetown-Biggar (Mr. Coldwell) that it would have been well had he taken last year the stand he takes to-day, instead of decrying then all forms of military effort and depending on shams like the League of Nations and "collective security." For our own security and defence the principle he now supports on behalf of the Cooperative Commonwealth Federation would have commended itself to the wisdom and judgment of the country two or three years ago, but previously the members of that group upheld a different point of view; they depended on Washington, the illusion of "collective security," the league and pacifism.

I repeat that it is doubtful whether the principle of this bill will entirely commend itself to the wisdom and judgment of the country, or if it goes far enough. In my opinion it will carry very little comfort to the people over in England, that glorious country which all alone is now upholding the cause of freedom, liberty and civilization, while waiting for those on this continent, the

people of the United States included, to come to their support, and the dominions to render further aid. If the British fleet should fail, no one can foretell the day or the hour when Canada will find the enemy at her gates, and all our home defence will mean little and come too late.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, if a bill of this kind is worth passing at all, it must provide the means of attaining Canada's maximum war effort. The principle of this bill is not such as to achieve that purpose; consequently it is wrong.

Let me point out that, unless I am completely mistaken, all this bill calls for is that people shall place themselves, their services and their property at the disposal of his majesty in the right of Canada. Now, their property means, I take it, either their money, in whatever form that happens to be, or their substantial property such as farms, factories, forests, oil wells, mines, et cetera. As I pointed out a few minutes ago, merely to take the money which the Canadian people possess is not going to provide the government with enough money to run the industry of this country if it assumes control of industry. All one needs to do is to turn to any dependable bank report, and he will see that all the money we have in Canada at the present time, both currency and credit, will not be sufficient to put the country in a sound, productive condition. We must have such financial means as will stimulate production of consumers' goods to sufficiency. That is, we must have means of stimulating the production of wheat and other primary products and of shoes, sugar and other secondary products to the maximum desirable, and we must have also such an amount of financial means as will enable us to provide such fair prices and purchasing power that those goods may be distributed to the maximum desirable extent; which means that a high standard of living will be attained in this country of abundance. In addition to that, we must have enough money to provide for the production of such goods of war and destruction—tanks, aeroplanes, explosives and the like—as we desire.

I maintain that all one needs to do is to consider the facts as they are. Take every dollar which is in the banks to-day belonging to every person, corporation and group of people in the dominion, and you have not nearly enough money to accomplish these desirable things which I have mentioned. Therefore, I say, inasmuch as this bill apparently does not provide for the creation of new money, money which does not now belong to anybody, it falls short of what Canada should be aiming at, will be only a disappointment, and before long will be looked upon as a delusion of the Canadian people. Therefore, Mr. Speaker, I cannot accept the principle of this bill.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata) (Translation): Mr. Speaker, I do not intend to speak at length on the second reading of the bill but, over the week-end, I visited my county with a view to seeking the opinion of my electors and I deemed it my duty yesterday to make to one of the members of the government a report concerning the views held by my constituents on this important question. I think we should avoid undue haste in the discussion of so important a subject. We should take our time. Moreover, Mr. Speaker, the fact that we are passing legislation similar to that enacted at Westminster does not prove that our legislation is excellent. The measure should be considered on its own merits, and as each one of us here represents a certain group of electors it seems to me, Mr. Speaker, that I should be failing in my duty were I not to communicate to the house the views of the good people of my county.

This is the letter which I wrote, with some slight alterations intended to ensure the anonymity of the addressee:

Ottawa, June 17, 1940.

I consider it my duty to tell you of my trip of last Saturday to Rivière du Loup where I met several of my electors who gave me their opinion regarding the war. All realize the gravity of the hour and consider that all our war effort should converge upon the defence of Canada.

Some of those I met went so far as to say that they were favourable to the idea of conscription, provided it were only for the defence of Canada.

On this point, I congratulate the government on the restriction they placed in the bill with regard to compulsory military service.

Others are in favour of recruitment on a voluntary basis for the defence of the country, and such is also the opinion of the entire rural population where there exists a strong sentiment in favour of annexation to the United States or at least of a formal alliance with our powerful neighbours. The latest events, particularly the offer of capitulation made by France, are not likely to change this sentiment.

Here, Mr. Speaker, may I say how sorry I feel about what has just happened in France.

During the last election I said in each parish that under your government anyone would be free to enlist if he chose, but that no one would be forced to do so, whereas with Mr. Manion in power we would inevitably have compulsory military service. Such was also

the position taken by the party in the province of Quebec, as well as, with a few exceptions, outside the province.

Allow me to say that after the victory obtained by our party following that campaign the majority of the people are not yet in favour of the idea of conscription. It may, therefore, be dangerous to impose it at present.

On the other hand, the Canadian sentiment is so deeply rooted in the hearts of our compatriots that they are more ready than ever to make sacrifices for the defence of Canada.

Enlistments have been numerous in our province in spite of two obstacles: first, those who wish to enlist are obliged to pay their travelling expenses when their medical examination proves unfavourable;—

May I say here that young men have come to my office Saturday to ask me to pay the expenses of their trip to Quebec to enlist, because if they failed to pass the medical examination they would be obliged to pay their travelling expenses themselves. It seems to me that the government would greatly facilitate voluntary enlistment by doing away with red tape.

—secondly, in order to be accepted, those who seek to enlist have to agree to fight overseas.

This also is an obstacle to voluntary enlistment. Large numbers of young men were ready to enlist for the defence of Canada but did not care to sign an engagement to fight outside the country. I am convinced that without this clause voluntary enlistments would have been far more numerous.

That policy is a wise one to the extent that our soldiers are sent overseas; it is also consistent with the promise of recruitment on a voluntary basis made by our leaders and by all the Liberal candidates during the last election campaign; but, in view of recent events, do you not think that it is more than ever time to organize the military defence of Canada in Canada and to keep here our best men and to train and equip them properly for our own defence?

With the obstacle of red tape removed from voluntary enlistment there would be a very large number of enlistments providing the government's policy were clearly defined as being a policy for the defence of Canada. Our people have been deceived so often in the past that they have maintained a certain degree of mistrust, as you know very well.

If we say to the French-Canadians that henceforth recruiting will be solely for the defence of Canada, in Canada, and if we remove all obstacles to voluntary enlistment, you will be surprised to see the number of French-Canadians ready to enlist, providing they are well equipped and well trained and that they be given competent commanding officers.

The speed with which event is following upon event is making everyone reflect very seriously. Public opinion is changing day by day.

I have summarized the conversations I have had with a large number of good Canadians. Since then, I have had occasion to converse with English-speaking members who told me quite openly that war was too serious a matter to be considered from the point of view of sentiment and that our policy should be guided by reason. They added that in their counties there is an awakening of Canadian sentiment for the organization on a solid basis of the defence of Canada against any aggressor.

By a strange revulsion of feeling, it is on the solid basis of Canadianism that national unity will be established.

Yours very truly,

Jean François Pouliot.

Mr. GAUTHIER: Very well.

Mr. M. J. COLDWELL (Rosetown-Biggar): I am sorry that we have not had a longer period to look over the bill before the second reading came. I should have preferred to have the second reading after the supper recess. I regret also that the Prime Minister (Mr. Mackenzie King) has not given us a fuller explanation of the extent to which the powers granted under this emergency bill are to be used by the government. Perhaps the most important words in the bill are to be found in section 2, "requiring persons to place themselves, their services and their property at the disposal of his majesty in the right of Canada". When a similar bill was introduced into the British parliament on May 22, Mr. Attlee, the former leader of the Labour party, who introduced the measure, went fully into the government's intentions under that bill, and I have in front of me a fairly complete report of what he said on that occasion. He pointed out, of course, the situation that faced the allied powers, and he said:

It is necessary that the government should be given complete control over persons and property, not just some persons of some particular class of the community, but over all persons, rich or poor, employer or worker, man or woman, and all property.

Then he went on to show that the government intended to use this power. Recent dispatches from Great Britain have shown that the British government has already taken over something like 15,000 plants to be operated entirely under public control. At the same time he assured the ordinary people of Great Britain that the excess profits tax would be raised to 100 per cent, wiping out all excess profits.

It seems to me that if we are going to ask our young Canadians—and I believe that under the threat of invasion we have the right to ask young Canadians—to defend the soil of this country, then we ought at the same time to give these young men the absolute assurance that no one will make any profit out of this great struggle.

I should be glad if the government, either now or later, would give the house an assurance that this will be done. In order to bring this matter before the Prime Minister

and the government, I might refer to a carefully prepared statement I have here showing the operation of our excess profits tax under the act which was passed last year. In 1939, for example, the Aluminum Company of Canada, Limited, made profits of $15,799,927, and if they elected the plan under which they would pay excess profits tax, they would of course elect the one under which they would pay the lower tax, which in this case would be under the A plan, which would involve a tax of $1,803,000 or thereabouts. The complete statement is as follows:

Excess Profits Tax

on basis of 1939 earnings
(approximate)

24 per cent. Aluminum Limited profits: $15,799,927.	
Under A..	$1,803,019
Corporation income tax..	3,159,985
	$4,963,004

Leaving $10,836,923, or over 16 per cent on capital as defined in the act.

As the table shows, this leaves $10,836,923, or over 16 per cent profit after paying all the taxes on the capital employed as defined in our act of last September.

Next I take Canadian Industries, Limited, which is to operate certain of our new munition plants. Their profit on capital involved is 36 per cent. They would choose the B plan and would pay no tax whatsoever. They will pay corporation income tax of $1,246,429, leaving a profit of $4,985,714, or over 28 per cent on capital involved as defined under our own act.

If we take next the Consolidated Mining and Smelting Company, on profits of $9,339,586, being 48 per cent, under plan B which they would elect they would pay no excess profits tax. The corporation income tax would amount to $1,867,917, leaving a profit for distribution of $7,471,669, or over 38 per cent on capital employed as defined in the act.

International Nickel Company, on profits of $36,847,466, or 26 per cent, under plan B would pay no excess profits tax. The corporation income tax would be $7,369,493, leaving $29,477,973, or 20·8 per cent profit on the capital as defined by the act.

I bring these figures to the attention of the house. I have more. I bring these at the present time because I and the group with which I am associated believe that if we are passing a bill to conscript the young men of this country for the defence of Canada and the territory adjacent thereto, then we have a right to ask that the government at the same time assure these young people that the excess profits tax will be instituted as in Great Britain, and will be one hundred per cent. And we ask that prior to giving our support to this bill.

At the same time it was announced in the British house that the entire banking system of Great Britain would be taken over in order that they might use the institutions properly to finance the war. That I understand has been done. In Canada we have none of these assurances. Without them the bill seems to me simply one for the mobilization of manpower, and while we are prepared to support the mobilization of all our resources, including man-power, for the defence of Canada and for our industrial effort, none the less we feel that before we do so we should have assurances of the kind to which I have referred.

Then there are other matters which have come under discussion in this house during the past few days. A little earlier this afternoon I referred to the discussion on the munitions and supply bill, which revealed that new industries established under government ownership are to be operated by persons who are in the employ of one of the great corporations whose profits I have stated. We believe that these industries should not be given a preferred position in the industrial life of this country at this time.

Also involved in this is the right of the worker in industry to have some say concerning the conditions under which he works. As the hon. member for Cape Breton South (Mr. Gillis) pointed out the other night, there should be an undertaking that all the war work in which we are now engaged or are likely to be engaged should be governed by mutual agreements between the workers' organizations and the industry engaged in the manufacture of munitions. That I believe is something the government should provide for; if we are going to mobilize for industrial effort, labour should be adequately protected.

We believe that the mobilization of industry and property and wealth involves also the condition of the great agricultural industry. Some hon. members come from areas where agriculture is the main industry and means of life. At the moment the prices of farm products are exceedingly low. There is no demand. But when the war ends, it is altogether likely that an impoverished Europe will require every available food commodity that we can send across the sea. Meantime the people who produce these commodities should not be expected to carry the whole burden. In the mobilization of our resources they should be guaranteed a fair and reasonable return so that they may live.

In the same manner if we are going to mobilize labour and industry and all resources,

there will have to be some control of the price level, in order that the producer may get a square deal and the consumer pay a fair and reasonable price. I am not going into all the implications of this bill, but in my opinion we should have a full statement as to what the government intends to do in such particulars as I have mentioned before we are asked to vote for the measure. In Great Britain care was taken by the government to see that the measure introduced there was properly explained and fully understood. We have this bill before us, and so far we do not know the extent to which these powers will be used, except that it is quite obvious that some recruiting of men will be instituted and proceeded with.

Then there is another matter to which the government has probably already given consideration, and concerning which the Prime Minister may be able to give a satisfactory answer almost immediately. There are certain religious organizations, the members of which I believe are already exempted by law because they are averse by reason of their religious beliefs to bearing arms under any circumstances. I assume that Quakers, Mennonites and such groups will receive similar consideration when the government institutes this measure.

When the bill is in committee we can go into the various phases of it more thoroughly, but I wish to impress upon the government the need to tell the house and the country the extent to which this legislation will be used immediately. As I said, before we can give our support to this measure we want to be assured that there will be equality of sacrifice. We ask from the government a statement definitely assuring the country of this. We realize that Canada to-day is threatened as never before. But our young men, as well as those engaged in industry, have a right to know that they alone will not pay the whole price which will be demanded.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, I should be remiss in my duty if I failed to protest at once against the plan for mobilizing our man-power and wealth announced by the right honourable the Prime Minister (Mr. Mackenzie King). This new policy is in glaring opposition to the electoral platform of the re-elected government. There was to be nothing but a moderate, voluntary and free war effort, we were told. I referred to that platform in this house on May 23 last. I was then speaking in defence of the prime minister who was being harassed on all sides by the opposition. At that time, the shores of the British Isles had been bombed by the enemy. Then came a cessation of attacks against British territory and the whole might of the enemy was turned against France. While that noble and heroic country was being trampled upon by the Germans, those same members who had been clamouring for conscription became strangely silent. Why? That is their secret and I would rather not delve into the matter, preferring to ignore it in the interest of the spirit of harmony which should prevail in Canada. This parliament has no right to order the mobilization of man-power and wealth because it lacks the necessary mandate. The Canadian people, whom we represent in parliament, never endorsed such a mobilization. On the contrary, they voted on March 26 for a moderate, voluntary and free war policy. Consequently, I am strongly opposed to such a mobilization so long as the Canadian people have not endorsed it. Besides, has it been shown that voluntary enlistment is not sufficient for the defence of the country? Until such time as proof to the contrary has been adduced to the people, I shall have the feeling of discharging a sacred duty toward my electors and my country in opposing that policy with the utmost vigour. I foresaw the very serious events that are happening to-day when, on September 9, 1939, I stated in this house my principles and beliefs upon the grievous mistakes of the past and of the future. The future has become the present and the very things that I had anticipated are now happening. In so speaking, I am voicing the views of a great majority of the people in my constituency who kindly gave me their confidence some weeks ago. I have never betrayed my electors. In these troubled times I am continuing to defend their freedom in the parliament of my country.

Mr. STIRLING: Would you, Mr. Speaker, be good enough to read the amendment in English?

Mr. DEPUTY SPEAKER: I have not the official translation as yet, but I might give a free translation for the benefit of hon. members of the house:

That all the words after the word "that" in the bill be struck out and replaced by the following words:

. . . "the war policy of the Canadian government must remain free, voluntary and moderate."

Mr. CHURCH: I rise to a point of order. I ask for a ruling as to whether or not the amendment is in order.

Mr. DEPUTY SPEAKER: It is always in order to move an amendment to a motion for the second reading of a bill.

Mr. WILFRID LACROIX (Quebec-Montmorency) (Translation): Mr. Speaker, I believe it is my duty, as member for Quebec-Montmorency constituency, to express my opinion on this bill and to state that I positively do not hold the same view as some of my fellow members in the house who favour unlimited participation by Canada without any thought for what the post-war period has in store for us.

On September 9 last I voted against declaring war and I then gave my reasons for taking that stand. The majority decided otherwise. I must perforce submit and abide by the consequences. Since that time, however, an election has taken place in this country and the people of Canada have clearly declared themselves in favour of a moderate and voluntary participation as against participation to the utmost of our ability. For should we reach such a limit, it will mean, once the war is over, eventual bankruptcy, extreme devaluation of the currency and above all an almost certain lack of adequate means to cope with post-war problems.

And why, indeed, should we extend ourselves to such an extreme limit of our capacity when there was a minimum of representations and expressions of opinion at the time there was question of adopting a policy of financing Germany so that she might rearm and attain that stability which allowed her to rise from the prone position we had left her in at the close of the Great War and to unleash once again her barbaric hordes upon civilization and democracy.

Indeed, Mr. Speaker, however splendid the role of those who have fallen recently on Vimy Ridge in defense of right, liberty and justice, and to whose anonymous heroism I wholeheartedly pay tribute, I need must blame the stand taken by those statesmen who boast of proficiency in matters of diplomacy and who are responsible for the fact that once again our own have fallen in great numbers right by the monument which symbolizes their predecessors' heroic effort that democracy might endure; and that, 25 years after had been written one of the most glorious pages in our history telling of the fallen's struggle for justice!

The dead of Vimy and Courcelette, resting all about the great monument erected to their memory, must be wondering to themselves in the Great Beyond: "Why did we sacrifice so much when it has availed so little?"

Mr. Speaker, France has indeed staunchly defended her territory and I trust that victory will crown her struggle for her very existence; for France, remember, cannot vanish from this earth; as a flaming torch she brightens the world with all that is beautiful and generous in the realm of thought, art and science.

France has fought for her existence, England for her empire and as for ourselves, while doing our share for a cause admittedly just, I entreat you, let us also fight to preserve this great Dominion of Canada in America in which we take such pride. If we wish to maintain the integrity of this dominion and preserve the pact of confederation, designed to protect the liberty of each of its ethnical groups, then, sir, let us not make the mistake of wreaking our own destruction by leaving the country, after the war, without any possible means of material and economic reintegration. Any other course would throw the country into the hands of an element which would prove fatal to its very existence, namely, communism.

What is Russia doing? She stands aloof in order to be in a better position to spread her propaganda through those countries which will have been shattered by war, whatever its result may be, because I am convinced, Mr. Speaker, that war will bring about such an economic chaos that it will be impossible for anyone to tell victors from vanquished.

I say, therefore, that we ought to limit our participation to what we can actually do instead of making it a maximum war effort. This would be the wise thing to do and moreover this would be in harmony with the policy advocated during the last general elections by the right honourable Mackenzie King and the right honourable Ernest Lapointe.

If we wish to maintain the integrity of this Dominion, Canada's war effort must remain voluntary, free and reasonable. While earnestly hoping that liberty, right and justice may triumph in Europe; while paying tribute to the heroic patriotism of the French and English people who are now fighting, regardless of social rank, in a sublime effort to maintain the freedom of their respective countries, I hope that our Canadian political leaders will use discretion and avoid making mistakes which might prove irretrievable.

After having heard certain extremists, who are dissatisfied with our participation, speak the way they have in this house since the opening of the session, I feel justified in wondering whether they are not lacking in loyalty to Canada.

If we wish our war effort to remain free and voluntary, let us not, for pity's sake, make the mistake of stopping public works.

I further wish, Mr. Speaker, to reiterate a request already made by the premier of the province of Quebec, the honourable Adélard Godbout, to the effect that farmers' sons should not be enlisted in the army, for if there is a class of people which is needed to increase war time agricultural production in keeping with allied requirements, surely it

is the farming population. Moreover, should we make the mistake of recruiting in rural communities and, worse still, of imposing compulsory service to these people, I doubt very much whether after demobilization, the majority of these men would return to the land. They would inevitably add to the congestion of the cities where unemployment resulting from commercial, military and industrial demobilization will create a serious problem for the government and where they would fall an easy prey to communistic propaganda.

In conclusion, Mr. Speaker, I urge that we abide by the policy advocated by the right honourable William Lyon Mackenzie King during the last elections, namely a voluntary and reasonable measure of participation, without resorting in any way to conscription of man-power. In view of the fact that we are at war, as a result of the decision taken by a majority of the members of this house, this would afford everyone an excellent opportunity of serving his country well and of insuring a future for the country after the war.

Not long ago, Mr. Speaker, the American Senate at its sitting of yesterday, I believe, adopted by a vote of seventy to nothing a resolution to the effect that the Monroe doctrine was considered to apply to all of North America and all of South America. By so doing, the United States have agreed, so to speak, totally to exclude any European power which might attempt to invade our territory or any other American territory. Why not continue with our voluntary participation and wait at least until the United States enact conscription of men?

A bill is before us now, and I am looking at section 3 of that bill. I shall read it in English, because I have no French copy. The bill was distributed this afternoon, but unfortunately my French Canadian colleagues and myself did not get a French copy. Taken by surprise, they are obliged to consult the English copy for the study of this bill. In section 3 of the bill introduced this afternoon to establish conscription of men in Canada, we read the following:

> 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.

If my understanding of English is correct, the words "may not" mean "the government may" and they should be replaced by at least the words "shall not"...

> be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada.

Unfortunately, Mr. Speaker, we have but the English copy of the bill and we are using it. Since it has been introduced this afternoon, I would ask the government to put off the second reading of the bill, until at least after six o'clock, so that the French members may take note of the French copy which is essential in studying a bill of such importance.

The Right Hon. ERNEST LAPOINTE (Minister of Justice) (Translation): Mr. Chairman, the amendment that has been moved states that this bill should not be read a second time but that there should be substituted therefor a statement to the effect that Canada's participation must remain free, voluntary and moderate. I am convinced that my honourable friends the mover and the seconder of that amendment do not wish to suggest that Canada's participation in her own defence, were she invaded, attacked or imperilled, ought to be moderate, free and voluntary. If my hon. friends will read the bill that is before them they will notice that it is introduced in this house on account of the tragical circumstances with which we are confronted to-day and which are threatening the very existence of our country.

My hon. friend from Quebec-Montmorency (Mr. Lacroix) referred to France which, he said, had fought for her existence. She did not fight with moderation or with freedom, she just fought. If this bill is, as I claim it to be, a bill for the purpose of putting Canada in a position to defend herself in a tragic emergency, I assert that we have no right to say that we must defend ourselves only in a moderate, free or voluntary way.

Mr. Chairman, the first duty of a citizen is to defend his country and if it be true, as I believe, along with all those who are considering the present situation, and as, I feel sure, my hon. friends themselves believe, that we are threatened even though the danger might not be probable, its very possibility compels us to take those precautions which worthy sons of a country must take to defend their mothers, their parents, their families and their territory.

Those who have to shoulder the responsibility of governing the country in such a situation have a most difficult task to perform. It is a duty fraught with responsibilities. But they would not be worthy of the mandate entrusted to them by the people were they unable to discharge their duty fully and to take whatever steps are necessary for the protection of their country. We cannot shirk such a duty.

If I believe—and my friends know that I believe it sincerely—that my country is threatened, can I stand back and refuse to do what is essential for her defence and protection, and compel and request every one, all

Canadians from every part of the country, to come forward in order to defend with their blood the national heritage and everything they are so anxious to preserve?

Canada is a land of freedom. Our wish is that she may continue to be a land of freedom. The monsters who at this time want to destroy civilization and who are drawing nearer to us, must not expect that we are going to repel their attacks with moderation. We are going to defend ourselves with all the strength we can find in our hearts and souls and to the utmost of our capacity.

Mr. Chairman, I feel perfectly at ease to explain my attitude on this question. Somebody speaks of the pledges given. I invite all my friends to read the observations I made in this house when war was declared; I invite them to read my speech of the preceding session on the subject of Canada's neutrality. I then said to my fellow-countrymen that the province, one of whose representatives I have the honour to be, was opposed to compulsory military service overseas, and that we would fight it—

Mr. LACROIX (Beauce): Write it down in the bill.

Mr. LAPOINTE (Quebec East): —and that I would fight it; that if it were proposed by my government I would resign from that government.

Mr. LACROIX (Beauce): Write it down in the bill.

Mr. LAPOINTE (Quebec East): That is what I said, and that is what I repeat to-day. But for the defence of my country, for the defence of Canada, no! The defence of the fatherland is the duty of every citizen, and it is an obligation for every one to defend Canada. This bill provides that its powers may not be exercised, in so far as the question of compulsion is concerned, in connection with service overseas.

My hon. friend wants the word "shall" instead of the word "may." I have not the least objection to that word being changed to "shall." The only reason it was not used is to be found in legal phraseology. As Minister of Justice drafting an act of parliament, I would use the word "may," but to satisfy those who want to read a different meaning in the word—the word "may" is imperative when applied to the crown or the government—but to please my hon. friend I will myself move that it be replaced by the word "shall." There is another aspect of this bill that I submit to the sympathetic consideration of the mover and seconder of the amendment and of my other friends in this house. That act for the defence of Canada provides for the contribution not only of the lives of our young men in the defence of the fatherland, but also of the money, who have any, to help us in the defence of Canada.

Mr. Chairman, we often read in the newspapers appeals in favour of conscription. But they always call for the conscription of manpower. The newspapers, which represent the financial interests of the country, take care not to mention conscription of their property and of their wealth. This bill aims at equalizing sacrifices. The government will have the right to ask sacrifices not only from our young people who have to run personal risks for the defence of the country, it will also force those who are in possession of capital, those who are the most able to help in the defence of Canada, to contribute their share should they not come forward voluntarily.

I think I have said all I wanted to say. I respect the opinions of my friends who have moved and seconded this amendment. I think I have said enough to convince them of the sincerity of my opinions and of my sentiments.

I think I am acting in the interest of my country, and in the interest of my province. I would be unfaithful to the trust which has been placed in me if I acted otherwise for fear of shouldering the responsibilities which I must assume and which I shall always assume with courage when necessary and when conscientiously convinced that it is in the interest of my country.

Mr. LACOMBE (Translation): Mr. Speaker, I understand that your ruling is based on the fact that there is no such word as "that"; however, the bill has the word "whereas".

Mr. BLACK (Yukon): May I ask you, Mr. Speaker, to read the amendment. I was not in the chamber when it was moved.

Mr. DEPUTY SPEAKER: The motion is:

That all the words after the word "that" in the bill be struck out and replaced by the following:

. . . "the war policy of the Canadian government must remain free, voluntary and moderate."

I declare this motion out of order because there is no such word as "que" in the bill, and, further, because on motion for second reading the amendment should be to the motion and not to the bill. Third, a bill can be amended only after second reading and in the committee of the whole (Standing Order 75).

Mr. LACOMBE: Mr. Speaker—

Mr. DEPUTY SPEAKER: My ruling has been given, and the only course now would be for the hon. member to appeal from my decision to the house.

Mr. LACOMBE: Mr. Speaker—

Some hon. MEMBERS: Six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, the bill which is now before the house has been presented with considerable dispatch. I confess I am amazed at the Prime Minister's haste. This country went into war on the third of September last. We indulged in a general election which lasted from January until March 26. This house was not called immediately after the election. Instead of that, there was a period of recess while some of the cabinet ministers went on holiday. We met here on May 16, and we have been in session for over a month. Constantly requests have come from all parts of the house for legislation of this kind, and now, when it does come before us, it is being rushed through in the course of a few hours.

I believe we have a right to ask, since the government has taken such a long time to bring down this measure, that first of all we should know the exact meaning of the powers contained in the bill, and second, the use that the government intends to make of these powers. Personally I had expected to see the Prime Minister make a statement. In the British House of Commons when a similar bill was presented, a full statement was made by the Right Hon. Clement Attlee, the gentleman who on that day was leader of the government, outlining the government's policy, and explaining what the powers were which were demanded, their extent, and the manner in which they would be used. We have had no such statement this afternoon. It is true that the Prime Minister made a statement on the general European situation and intimated that this bill would be brought down, but the government's policy with regard to the whole programme of conscripting man-power and property has not been outlined in any detail.

As far as I am concerned—and I believe the group with which I am associated feel the same way—we are prepared to support what the bill purports to stand for, namely, the conscription of the human and material resources of Canada for the defence of Canada.

[Mr. Deputy Speaker.]

But what we want to know and what we have a right to know is whether the bill is to be used for what it purports to be. May I point out, for instance, that this bill says that it is, as the preamble puts it, "for the purpose of the defence and security of Canada." There is no doubt that the bill will be used to mobilize the human resources, but to what extent will it be used to mobilize the material resources? For example, what steps will be taken by the government to deal with large accumulations of wealth which have been made by certain concerns during the years of the depression and during the period this country has been at war?

This afternoon my colleague, the hon. member for Rosetown-Biggar (Mr. Coldwell) drew the attention of the house to some of the concerns which have been making exorbitant profits in the past few months. I have before me a statement which was put out with regard to the excess profits tax by Messrs. McLeod, Young, Weir & Company, Limited, Metropolitan building, Toronto, pointing out that some of the outstanding firms in Canada, who have been making large profits by virtue of the fact that there are two schemes or two plans under the Excess Profits Tax Act, will be exempt from paying any profits tax at all.

Here, for instance, is the Canada Wire and Cable company, making 13·1 per cent, a profit of $690,806, but under plan B, namely, the profit over 5 per cent, nil. Corporation income tax absorbed $138,161, leaving $552,645, or 10·4 per cent. Here is the case of the Imperial Tobacco company, which made last year 29·1 per cent, or a profit of $6,500,338. Under plan B, it paid no excess profits tax; it paid corporation income tax, $1,300,068, leaving $5,200,270, or 17·5 per cent.

This synopsis shows that, for instance, in 1938 the International Nickel company showed earnings of 20·17 per cent on its capital. Since the company, however, showed average earnings for the past four years amounting to $32,934,789, and since this four-year average was greater than its 1938 earnings, it would, therefore, choose plan B under which it would not have to pay an excess profits tax. I have before me a report from the Montreal *Gazette* of June 5, showing that the Dominion Textile company actually doubled its profit during the past year.

I cite these few figures—I have several pages of them, but I shall not weary the house—merely because I want to point out that there are firms in Canada who during the four or five years prior to the outbreak of the war and in the nine months since the outbreak of war have made substantial profits.

What step does the government propose to take under this measure to deal with those people? When the Right Hon. Clement Attlee introduced his bill in the British house a few days ago, before he asked the members to vote for this bill he assured them, and he brought down a resolution saying, that there would be a one hundred per cent excess profits tax. Is the government prepared to give us that assurance? Is the government prepared to give us the assurance that the conscription of material resources will be just as far-reaching as the conscription of human resources?

I notice, for instance, that there is nothing in the bill about financial resources. It says, "the mobilization of all of the effective resources of the nation, both human and material," but not financial. What about the banks? Are the banks to continue to operate as at present? Are the banks and other lending institutions to continue to lend money to the government at 3¼ per cent or higher at the same time that we are conscripting human life? We should know what the government intends to do with reference to the banks.

Mr. LAPOINTE (Quebec East): Surely "financial" is part of "material" resources.

Mr. DOUGLAS (Weyburn): Oh, yes, but there has been no statement from the Prime Minister or the Minister of Justice (Mr. Lapointe) on what the government proposes to do with reference to the banks.

Mr. LAPOINTE (Quebec East): We cannot say in the bill that "two and two are four."

Mr. DOUGLAS (Weyburn): Mr. Attlee made it clear when he introduced the bill in the British house that steps would be taken to bring the financial institutions of Great Britain directly under government control. Never in the history of Canada was there a better time for the Prime Minister to bring about his suggestion to "issue credit and currency in terms of public need" than under this bill and during this present war. We have the right to know what this clause about mobilization of material resources means with reference to those who are using the natural resources of this country, those who get the minerals and the oil out of the ground. We know how they have been using them. I say it is to the everlasting disgrace of this dominion that they were used, not very long ago, to arm the nations with which to-day we are at war.

Mr. MacNICOL: We shall not be at war very long unless we get along with it.

Mr. DOUGLAS (Weyburn): We shall not get on any better with it by passing a bill that is to be purely a conscription of poor men and not a conscription also of rich men.

An hon. MEMBER: Read the bill.

Mr. DOUGLAS (Weyburn): Augur writes in the New York *Times* and in the Montreal *Gazette* on June 13—and he is a fairly reliable authority—that when the war broke out last September, Mussolini had enough oil on hand for only a fortnight and that he has been allowed during the last nine months to accumulate such resources of oil that to-day he has enough for many months.

Mr. CRERAR: What is the hon. gentleman's authority for that?

Mr. DOUGLAS (Weyburn): I have quoted my authority, Mr. Augur in the New York *Times* and in the Montreal *Gazette*. He is a correspondent of some repute who writes also for the London *Spectator*.

But I will come to something that cannot be disputed. The export figures for minerals from Canada, starting January 1, 1939, show that every month from January up to August inclusive, until a few days before the war, we allowed the men who are using the natural resources of this country to send scrapiron, copper, nickel and aluminum—to whom? More than half our nickel went to Japan, copper to Germany, copper and aluminum to Italy, right up until the last few days of August, 1939.

What do we propose to do with these men? Do we propose to allow the International Nickel company and other mining concerns to continue to send this material outside the country without control? I made the suggestion once before to the Prime Minister and I repeat it now. Somewhere in one of the departments there should be set up a branch which would do the work that would be equivalent to what is being done in Great Britain by the Minister of Economic Warfare, to make absolutely sure that in the war effort which is going on in Canada (a) war material shall not find its way from Canada into the hands of our enemies, and (b) certain men in this country are not making money out of our natural resources and assisting our foes at the same time. 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 one hundred per cent excess profits tax; as

to whether or not large corporations are going 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.

Mr. REID: What about a boy defending his own home?

Mr. DOUGLAS (Weyburn): Yes, but at the same time as he is defending his own home, the International Nickel company ought to be making some contributions to the country out of which it is getting this tremendous return. Moreover, many of the boys have not any homes; yet some of them have been much more willing to go and defend Canada than some who are making money out of the country. All we ask is that this bill shall be what it purports to be; that it shall really mean the mobilization of human and material resources; that the phrase, "material resources" shall not be merely a sugar-coating to get people to swallow the other rather unpleasant half of the bill; that this shall be a real conscription bill, not a poor man's conscription measure but a measure that shall endeavour to marshal all the resources of Canada and to spread, as far as it is humanly possible to do so, the responsibility for defending the country over all classes of the Canadian people.

An hon. MEMBER: Who says it does not?

Mr. DOUGLAS (Weyburn): The hon. member who asked that question knows that this is an enabling bill. He knows that we have had no statement yet from the Prime Minister as to how these powers will be used. I am not saying that they will not be used this way or that. I am asking that the Prime Minister shall give us a statement. I say to you, Mr. Speaker, that all over Canada to-night there are thousands upon thousands of men, and women too, who are prepared to devote all their energies and, if needs be, to risk their lives in the defence of the country. I think we all are. Last fall, when this country entered the war, I offered my services to the government opposite, and on November 17 last I was paraded before the commander of military district No. 13. I am prepared to risk my life, as thousands of other Canadian citizens to-night are prepared to risk theirs. If needs be, there are thousands to-night who are prepared to risk their lives in the defence of everything that is at stake in the war.

In 1936 I saw something of what Hitlerism has meant to some people in Germany. I saw men who had come out of concentration camps; I saw women whose sons and husbands were in concentration camps. I saw people whose spirits had been broken, bodies mutilated, because they chose to serve their conscience rather than a neurotic megalomaniac. I doubt if there is a man in this house who is not prepared, as thousands of people across Canada are prepared, to shed his blood, if needs be, in order that we in this country, the people of the British commonwealth of nations and the other democracies, do not have to live under a regime in which such things as I have described are possible.

Mr. CLEAVER: Will the hon. member permit a question? He saw these things in 1936. Why did he oppose the defence estimates of 1937?

Mr. DOUGLAS (Weyburn): I will answer the hon. member willingly. What we opposed in 1937, if he will read *Hansard*—

Mr. CLEAVER: I have read it.

Mr. DOUGLAS (Weyburn): We were prepared to support any expenditures that were to be used for a system of collective security. We were convinced that they were not being so used.

Some hon. MEMBERS: Oh, oh.

Mr. DONNELLY: Give us another.

Mr. DOUGLAS (Weyburn): Therefore, Mr. Speaker, I make this plea: If men and women in Canada are prepared to serve the state, if they are prepared to offer their lives and to place their services at the disposal of the country, we should get some assurance from the government to-night that the material, financial and economic resources of the nation will be taken on the same basis as human service is taken, namely, without profit but for the service of the state and for the duration of the war.

Mr. J. T. THORSON (Selkirk): This is surely no time for recriminations of any kind. I entirely agree with the remarks of the leader of the opposition (Mr. Hanson) this afternoon that to-day, when we are witnessing the tragic events taking place in Europe, is not the time for recriminations, whether they come from the other side of the house or from this side. Views that may have been expressed years ago were honestly held and honestly expressed.

Mr. BROOKS: Not so many years ago.

Mr. THORSON: This is no time for seeking to cast blame. We are witnessing a tragic turn of events in Europe, and the safety of Canada is involved. As a Canadian whose

origin is neither British nor French, I give my whole-hearted support to this measure. In giving that support I speak as a Canadian whose undivided loyalty is to Canada. When I entered this house first in 1926, my main motive was that in all I should do as a member of the House of Commons I should further the destiny of Canada as a great nation. And when I speak as I do, I believe that I voice the sentiments of many Canadians, over two million of them, whose origin is neither British nor French but who know no other country than Canada. Canada has their undivided loyalty.

I am opposed to conscription for overseas service. We on this side of the house are pledged to resist conscription for overseas service, and I stand by that pledge. I listened this afternoon to the impassioned plea of the Minister of Justice (Mr. Lapointe) when he said more eloquently than any other man in this house could say it, that in the defence of Canada, our own land, there could be no limitations, There can be no limitations to the defence of Canada. I stand with the Minister of Justice and with his leader the Prime Minister (Mr. Mackenzie King) in this attitude expressed in this bill, that all the forces of Canada, man-power and material resources must be devoted to the aid of Canada, for the defence of Canada.

I say also that in this extremity we must have faith. This is an enabling bill, giving to the government of the day wide and extensive powers to deal with a dire emergency. We must have faith that the government will use those powers in the best interests of Canada. I, for one, have that faith, and I support this measure.

Mr. E. G. HANSELL (Macleod): In rising to speak on the second reading of this bill, I feel it necessary to make some statements. Prefacing my remarks, I should like to remind the house of the most noble stand that this group made in the special war session of last September. The leader of our group, the hon. member for Lethbridge (Mr. Blackmore) to-day reiterated that stand. He pointed out that in that stand we were particularly anxious and careful to see that finance should be conscripted first. The stand that we made last September I think I can say was one of the most noble stands that could have been made at that time. I think I can add that this group foresaw certain probabilities which have come to pass, perhaps a little faster than we expected, nevertheless they have taken place. Since we took that stand last September, there has been an election. I am not going to dwell upon that event; that is history but during that election certain speakers in Alberta misrepresented our stand. They portrayed us as conscriptionists of the first order. That misrepresentation perhaps cost this group several seats. On the other hand, perhaps one reason why the government now sits with its huge majority may be the promise that conscription would not be sponsored by them. That misrepresentation necessitated our correcting the false impression that was left. The reason why I speak along this line at the moment is to give to the house the same thoughts that I had to give to my constituents. I believe I speak for all the members of this group in saying that what we told our constituents was that while we reiterated our stand of last September, we would demand of the government that before they brought in a measure of conscription of man-power they must first conscript finance.

I said a little while ago that this was a noble stand. I know that between last September and now many things have happened; I know the exigencies of the hour, and that we must put our utmost efforts into winning this war. But we are not so certain—and in that we agree with the hon. member for Weyburn (Mr. Douglas)—that this bill expresses all that it is desirable that it should express. In our view it seems somewhat evasive, and we believe that on second reading of the bill the Prime Minister should be willing to make some amendments to clarify the meaning of the bill and to set forth in it what things are to be mobilized for the successful prosecution of the war. We believe that the bill should go further than it does in its present form. Of course we shall discuss this in more detail in committee. The second section reads:

> Subject to the provisions of section 3 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.

There are three things; persons, their services, and their property; while this financial system as it is now set up still rides in the saddle. That is what we are against. We say that finance must be conscripted. It is not enough to say that the people's savings must be taken; the banking system, the financial system, must be taken and made to make financially possible that which is physically possible. I say we want to go further than this legislation goes. I have no desire to seek sympathy, but I say this for the benefit of those in the press gallery; I ask them to be fair in dealing with the stand we take on this matter.

Some hon. MEMBERS: Oh, oh.

Mr. HANSELL: That is all right. I am appealing to the press gallery to be fair in reporting anything that is said during this debate. I am quite certain our Quebec members want them to be fair. I believe they will be, but sometimes things can be coloured a little. It may be that it is not our desire to support the bill as it is now worded, and the report may go out that we are not in favour of the conscription of these things. What we are in favour of is something more than this bill gives us. I said I was not seeking sympathy, but let me tell this house that my own father and mother are living in England to-day, right in the line of attack. In addition to that, I have three boys, one nineteen and the other two, seventeen years of age. So after the stand we made in this house last September, a stand which I believe to have been a noble one, if I am now to vote for a bill which may send my boys to war, I say that if they are to march in battle, finance must march with them.

We could say a great deal about these matters. The leader of our group has referred to the evidence which was given before the banking and commerce committee a year ago, and in which the governor of the Bank of Canada declared that that which was physically possible was financially possible. But I have a very, very strong feeling that the reason why we have not advanced as far as we should, in the entire British empire, is because of the restrictions placed upon us by reason of the present financial set-up. One gets worked up a little about such measures as this. This is perhaps the most important bill we shall be asked to vote upon this session. Some time ago I read in the press that in a speech the governor of the Bank of Canada had told the people what they should do, and later I saw the report of another speech by the deputy governor of the Bank of Canada, also telling the people what they should do. Well, if I were the man on the street, believing in democracy as I do, I would say, "Who is this Graham Towers, anyway; what right has he to tell the people what to do?"

Mr. THORSON: He is a very able man.

Mr. HANSELL: I admit that he is an able man; I am not questioning that. I say, however, that the government, whose responsibility it is to bring this nation to the greatest possible efficiency in the prosecution of the war, is the body that should tell the governor of the Bank of Canada what to do, and that in no uncertain terms. If that which is physically possible can be made financially possible, why has it not been done? That is the question.

A week or so ago I asked the Minister of Finance (Mr. Ralston) how he was going to finance the present war policy of the government. His reply was that it would be done as it was in the last war. Perhaps the situation has changed in the last couple of weeks; but I say that if the policy of financing this war from now on is to be the same as that followed in the last war, then this bill falls far short of what it should be. That is not the conscription of finance.

I should like to refer to the new democracy platform that was issued during the election campaign, in order to state our position once more:

> We believe that Canada should finance her share in this war by the creation of the necessary debt-free credit and currency, with definite price regulations to prevent any inflationary rise in prices, thereby enabling the dominion to give the most effective support without the nation incurring huge debts by borrowing or resorting to exhorbitant taxation.

I am reading a paragraph from the division entitled "Preservation of the Empire." The next paragraph reads:

> We strongly support the just demands of Canadians for the greatest possible equalization of sacrifice, including adequate measures to ensure the present and future economic security of all our people. We affirm that the conscription of finance, without expropriation of individual's property or money, should precede the conscription of man-power.

In closing, Mr. Speaker, may I say to you that it is our desire that when this bill is in committee, the Prime Minister should so word its sections as to state very clearly that the banking institutions, the financial institutions, the industries and the corporations of this country will be conscripted before we have any conscription of man-power.

Mr. PIERRE GAUTHIER (Portneuf) (Translation): Mr. Speaker, I hope that participation by hon. members in the debate on this all important measure will not lead this house or the Canadian people—English or French speaking—to believe that they are afraid to defend their country or that they are devoid of bravery or courage.

We have recently been elected mainly on that time-worn subject of conscription. If 10,035 out of 14,200 electors registered in my constituency elected me as their representative, it was because I had been, like themselves, opposed to the enforcement of conscription in this country. Let me explain. In 1937, some fellow-members and I initiated in this house a struggle in the course of which we have opposed the dispatch of contingents overseas. We have stood against participation in external wars and on several

occasions we have asked for a reduction of money votes because we believed that a contribution in the form of munitions, foodstuffs and clothing would be more useful to the allies and would better answer the needs of our country than a contribution in manpower. At each session we have risen in debate against the dispatch of troops overseas. We were unsuccessful. However, during the provincial electoral campaign held in 1939, which we waged and won in supporting Liberal candidates on the assurance that there would be no conscription, we did accept the dispatch of troops overseas because we were sure that there would be no conscription. During the last federal campaign, this conscription act was discussed. I did not ask my electors the plain question: "Are you in favour of conscription in this country?" and if I have risen to-night in this house, if I ask the government not to be too hasty in having this act passed by the house, it is because of my wish to be consistently honest toward my electors and to have the opportunity of asking them what they think of the enforcement of conscription in Canada.

Mr. Speaker, I am told that the people are in favour of the establishment of conscription in this country. I shall await the opportunity of consulting them before expressing an opinion on that point. I can assume my responsibilities as well as any one in this house or outside, and my purpose in rising to-night is not merely to embarrass or criticize the government. I have no such wish, but, as a representative of the people, I am entitled to ask the government to avoid hasty decisions. The system of voluntary enlistment is still giving results; we can only accept 1,200 or 1,400 volunteers a day according to the honourable the Minister for Air (Mr. Power), and we could raise 400,000 soldiers through voluntary enlistment just as easily as if we resorted to conscription. If we were to enforce conscription in this country while continuing to dispatch forces overseas, would this not, Mr. Speaker, lead the people to believe that volunteers are no longer coming forward? I do not say that because of any lack of confidence in the Liberal government simply because outside of the cabinet, outside of the house, there are over-zealous officials. I have been visited by people who wanted to enlist and who had complaints to make in that regard. One man who wanted to enlist as a dentist was unsuccessful, and why? Because preference was being given to men who could speak both languages more fluently, mainly the English language. I do not say that this was done with the knowledge of the authorities; it may very well have happened without government officials being aware of it.

It may also happen that men who enlisted exclusively for military service in Canada will be sent overseas against their will. That has already happened—in the 1914-1918 war. And I know that certain recruiting agents used more or less commendable methods to persuade men—their fellow-citizens—to enlist. Some of these men went to bed at night unconscripted, unenlisted, to awaken the following morning as enlisted soldiers without knowing how it had been done. That must not happen this time. Why not exhaust the voluntary system before resorting to conscription. Why go so fast? I am ready to admit that the news from Europe is not good; I am ready to admit that what is told us is the truth; I admit that we are heart-broken at seeing France forced to yield to the enemy; but at this time I look at the matter in my own way from the purely Canadian point of view. I do not claim to be infallible, but I claim the same right as others have to express my opinion and to discuss this question without being considered as lacking in courage when the defence of the country is involved. I shall not be the last man to offer his services for the defence of Canada, but I consider that we are going too fast in imposing conscription upon the country before having exhausted the voluntary system. That is my view, and I cannot declare myself in the matter without having at least slightly consulted those who gave me their confidence at the last election, when conscription was one of the issues. I cannot vote on the question without ascertaining their views. I have an account to render to those who sent me here to represent them, and, if I want to be honest, I have to ascertain their opinion before casting my vote for a measure of the vital importance of this one. I believe that we could continue with the voluntary system even for the defence of Canada and that the question of conscription could very well be postponed until we have an opportunity of consulting our electors. But, Mr. Speaker, there is one other thing that grieves me, as a Liberal. There are within and without this house men who have for years pinned the label of conscription to their party and who with a broad smile and very comprehensible satisfaction can now say that they have pinned the label of conscription to the Liberal party. They are already exulting. That makes me sick at heart, Mr. Speaker. I say so in this house and I know that I am telling the truth.

Mr. Speaker, I have said what I had to say, and may I add in closing that I believe that if errors have been made, unpardonable errors have been committed by other countries; it seems to me that Canada has played her part in paying the way she has:

she has done her share, has she not, in the way of munitions, food and supplies. Canada is ready to do her part in order to assure her people that she is doing everything in her power for the protection and maintenance of the British empire and of Canada, but, after all there is a limit to paying. I hear someone saying in this house that this is not the time to speak of past errors. If never a word is said about these errors, they will be committed again, as it has happened in the past when, before and during the war, supplies were sent to the enemy and our soldiers killed and wounded by shells made of Canadian metal or of ore extracted from the soil of the Allies.

Mr. J. SASSEVILLE ROY (Gaspé) (Translation): Mr. Speaker, when the Prime Minister of Canada evoked in moving terms this afternoon the sorrow of France, that unfortunate country which has fallen a prey to aggression, and when he promised England once more in most forceful terms all that Canada could do to help her even to the utmost of our capacity, this house might have thought that the government, realizing the full gravity of the situation, was now leading us on from a stage of amateurish war, which we had declared upon Germany, to a stage of serious and definite action, and that the comedy was over.

Unfortunately, it was not quite that yet. The Prime Minister stated, if I understood him correctly, after announcing compulsory mobilization in Canada—you will observe immediately the play on words, fearing the use of the term "conscription", (and the honourable member who just spoke gave the reason for this)—after announcing, as I said, general mobilization of wealth, resources and men in this country, immediately added "not for service overseas but for the defence of Canada and only on our own soil, for the present government is opposed to the conscription of men for service overseas." These are contradictory statements, Mr. Speaker. How can we promise to help France rise from the ruins scattered over her blood soaked land, how can we promise England to come to her aid to the utmost of our resources if we state at the same time that we will not send over there the men we are about to conscript?

There is something there that we do not understand. As a matter of principle, I am not opposed to the mobilization of all of the resources of Canada, both human and natural and financial for the purpose of defending our country in case of attack, which is after all possible. For that reason, I would not object to the principle of the bill. If I could only place confidence in those who are now running the country. In declaring war on Germany in September last, we laid the country open to dangers which we rightly seek to avert to-day. If France is compelled to surrender her navy and whatever arms she may still possess, I can easily see the danger that lies ahead for Great Britain. And if, in turn, Great Britain which we wanted to defend and which we are now defending were to be conquered by Germany, I believe that Canada would be in much greater danger because of all the armaments which Germany and Italy already possess, and which are superior to those of the democratic powers, and which would be further strengthened by the addition of the conquered navies. Like all other French Canadians, I am in no way opposed to making provision for the defence of Canada and I am glad to endorse the statement which the honourable member—whom I do not know as yet—has just made. I shall congratulate him later on his speech. I gladly agree with him when he says that the French Canadians, anything to the contrary notwithstanding, will be ready to do their duty if Canada is attacked, even if we have been drawn into the conflict for failing to mind our own business.

Tre right hon. the Minister of Justice (Mr. Lapointe) has said over and over again in the province of Quebec during the last twenty-five years that participation in the empire's wars was no concern of ours. Only a few years ago, he said in this house: "I am opposed to any participation in external wars on the part of Canada." This he repeated in the constituency of Lotbinière last summer. He said in this house and repeated afterwards: "I am opposed to the dispatch of expeditionary forces overseas." During the electoral campaign in the province of Quebec last fall, he spoke along the same lines. He said that the war we had declared on Germany was a moderate, an amateurish war and that if the electors voted for the Hon. Mr. Duplessis, conscription would be enforced and he, the Minister of Justice, would retire and leave his post. He said: "I am the bulwark that protects you. Follow my advice. Vote for us in this election. Vote for the Hon. Mr. Godbout; otherwise, you will have conscription and Mr. Duplessis will forsake you."

Cartoons published in *le Soleil,* the official organ of the liberal party in the province of Quebec, during the campaign led by the Hon. Mr. Patenaude in 1925, showed side by side Mr. Patenaude and the Hon. Arthur Meighen, then leader of the Conservative party with the legend, printed in heavy type: "A vote for these men is a vote for war, for participa-

tion in England's wars to the last man and the last cent." Near them could be seen the Right Hon. Mr. Lapointe and the Right Hon. Mr. William Lyon Mackenzie King, the minister of justice and the prime minister—I mention Mr. Lapointe and Mr. King by name because they are so indicated in the newspaper. The cartoon bore the legend "Not one man, not one cent for the empire." It is as a result of such propaganda that the province of Quebec is opposed to participation in wars overseas. As was said by the hon. member who has just spoken, the province accepted, for want of better, to participate in the European war on the strength of the assurance or promise that there would be no conscription for overseas service. We accepted participation but we never ceased to be opposed to conscription.

On June 12 last, to mention a more recent date, the right hon the Minister of Justice, was reported by French language newspapers, and particularly by *La Presse,* of Montreal, as having said in a radio address to the province of Quebec that our participation—I am quoting from that paper—was to be voluntary and unsolicited. Let me ask you, Mr. Speaker, whether it is voluntary to-day. For the defence of our country, as I said before, I am not opposed to the mobilization of all our resources. French-Canadians will discharge their duty like all others. That is what I was saying in this house some time ago. We have an opportunity of proving our sincerity, our loyalty to England, and I shall repeat the words of Sir Etienne-Pascal Taché, who said: "If this country ever ceases to be British, the last shot for the preservation of British sovereignty in America will be fired by a French-Canadian."

I believe that we would all repeat these words to-night for the defence of the Crown, on Canadian soil. The question of conscription is now before us with the assurance that it is intended for the defence of Canada alone. As far as I am concerned, I do not believe this statement. The Right Hon. Prime Minister contradicted himself this afternoon. He promised to help England to the extreme limit of our capacities, then a few minutes later he said he was opposed to conscription for overseas service. Those two statements are contradictory. Moreover, I refer to the whole of this party's past, who has so often deceived us during the last twenty-five years. In order to triumph in the province of Quebec, this party declared during March last: "Participation must be on a voluntary basis. We are opposed to the raising of expeditionary forces for overseas service." Our soldiers are already on foreign soil. "We are against any form of participation in wars," did they say in time of peace, in Lotbinière county. And in this house, when the budget of the Department of National Defence was being voted, they continued to repeat: "We are against any participation in the wars of the empire." This was in time of peace, always.

To-day, we are in time of war. The hour is very grave, they say. Everybody agrees that it is. Surely we are serious enough to admit that when we are at war, we cannot command the enemy to wage war against us in an easy-going and pleasant manner. A war is always serious and dangerous.

But in peace time, those people have sought to develop among us a certain mentality by leading us to believe that we did not have to participate in external wars or that if we did participate in them, it should be in a moderate way.

To-day, inconvenienced as they are by having made so many thoughtless election promises, they loudly proclaim that we are in dire peril and they do not hesitate to disavow their former statements in adopting a policy which they have so strongly opposed.

That is why I am wondering, along with several members on the government side of the house, why the government are showing so much haste, and why they no longer stand by their statements and promises. They are beginning to gild the pill by introducing a conscription bill supposedly for the defence of Canada on her own territory. Having been deceived so many times, we have every reason to believe that this conscription will eventually result in the dispatch of our sons overseas if the European war goes on for a long time. That is why we cannot trust them.

Furthermore, I am opposed to this bill to-day because I believe that it is the seed from which will sprout conscription which they denounced only a short time ago. I realize, however, that the situation is serious in Europe and, that being the case, let us seriously consider that situation. Let us, according to the advice given by our English or French language newspapers, avoid falling a prey to hysterics or losing our heads. In so doing we shall probably be better able to uphold our cause. And there are numerous means, which are imperative, more pressing even and more necessary than conscription for which there is no immediate necessity. I believe that a careful analysis of the dangers involved in such a bill will show that it can quite possibly bring more trouble than good results in our war effort.

An understanding is quite possible without resorting to petty politics, without accusing one another and without seeking political

advantage. If we keep on making mistakes, if the government persists in playing politics, as they have done in the past, politics may be greatly discredited thereby. It is time for our leaders to take their duties seriously and to seek the best means of assisting France and England and of warding off the dangers that threaten us and that we have brought upon ourselves.

The hon. member who just spoke stated that we did not need men. That is a fact. The Minister for Air told us this afternoon that we can only equip between 800 and 1,200 men a day. Why then conscript manpower, when we are unable to accept the large numbers who besiege our recruiting offices? I have repeatedly brought to the attention of the military authorities that a certain Major de Gruchy, living in my constituency, who was a recruiting officer from 1914 to 1918, has been offering his services since September last. Recently, he informed me in a letter which I transmitted to the Department of National Defence that a great number of young men were going to offer him their services to help France and England. He replied that he had no official authority and that they must apply elsewhere. These young men did not have enough money to go to other recruiting camps. Therefore, in the Gaspé peninsula, there are a number of valiant young men offering their services, but unable to enlist. A man of experience like Major de Gruchy is not accepted either, though he is offering his services since almost eight months. The services of Captain Louis-Phillippe Côté who is in this house tonight, are not accepted, though he is offering his services since August 29. He is a qualified instructor, 43 years of age and in perfect health. Two or three weeks ago I met in Quebec two or three returned army officers willing to serve in the Canadian army and who have not the chance. Since all the generous offers of voluntary enlistment cannot be accepted why must we have recourse to conscription? We have no rifles, as some hon. members have just stated, we have no finished products and no raw material for use in this war, and we are going to send more men to be crushed by the German tanks while armed only with bayonets or hay forks. This is nonsense. We should commence at home; we should make use of all our undeveloped natural resources. Let us fit our ports, particularly that of Gaspé which is the key-port of the gulf of St. Lawrence, to accommodate the British and French navies in case of emergency. Let us develop the vast Gaspé oilfields covering from 700 to 800 square miles on the surface of which runs a valuable fuel oil. It is a war factor to-day and to-morrow it will bring us victory. Let us organize those primary resources. In that way we will be able to carry on the fight against the dangerous enemy who is at our doors. Let us mobilize our man-power for the production of what we lack, because there lies our shortcoming in the present war.

There is no urgent need for conscription. We are unable to equip the conscripts, we cannot provide arms for a greater number of soldiers. Let us accept those who generously offer their services and their blood. We might possibly enlist as many as half a million men, as stated a moment ago by the hon. member.

I wish to call attention to another danger, that of trouble in the province of Quebec. We will be told that those who have distorted the mentality of the Quebec people in dealing with conscription for electoral purposes will appease them. Only a few days ago, the Quebec French papers were condemning most bitterly the speeches made by the Leader of the Opposition in the Senate because he had called for a more active participation and also for conscription. How is it possible to enforce conscription without stirring up trouble? Those who anticipate disturbances are wise and responsible men. Careless handling of such a dangerous subject cannot go without risk for conscription has been the hue and cry among the people ever since 1917. The leaders of the government are themselves worried over the consequences of their utterances. That is the reason why the expression "conscription of men" is not used. It is stated that this measure applies only for service in this country, for if there were question of service overseas, every one knows what would happen. The danger is quite real. Why should there be such haste, then, in running the risk of causing so much trouble?

In conclusion, Mr. Speaker, I wish to state that I am not in principle against such a measure which may yet prove necessary. Should we find our country in danger, we would defend it as bravely as any one in the land. As for conscription for service overseas, I repeat that in view of the mentality developed in Quebec by the very people who are now in power, the best advice I can give to the government and to all those who have expressed a desire to serve their country well, to protect it against all danger, is to admit that such a measure providing for conscription under another guise may do us more harm than good.

Mr. DANIEL McIVOR (Fort William): The reason why we who support the government are not making speeches is, not that we have not anything to say, but because of the

splendid statement by the Prime Minister (Mr. Mackenzie King) and the clear statement by the leader of the opposition (Mr. Hanson). I think we should swallow our speeches and express our sentiments in a vote, send this measure to the upper chamber at once, and get action. Hitler is ready. Let us tell him we are ready.

Mr. ANGUS MacINNIS (Vancouver East): I fully agree with the wise remark made by the hon. member for Selkirk (Mr. Thorson) when, speaking earlier this evening he said that there should be no recriminations. In the past we may all have made mistakes. We of this group do not claim for ourselves infallibility, any more, I suppose, than do other groups in the house. I do not believe that it is really a matter for shame that this country did not make greater military preparations between the end of the last war and 1937 or 1938. I really think, on the contrary, it is a matter for pride. It indicates that this is a peace-loving country; that we are not a warlike people; that we do not want from other people something that we have to take by force.

Mr. BROOKS: How about protecting ourselves?

Mr. MacINNIS: Our lack of preparation did not cause this war. What caused this war was the stupid international policy followed not only by Canada but by most of the other democracies during the last ten or twelve years. On other occasions statements have been made by all parties in the house that we did not intend to take part in European wars; that we would defend Canada; that we could live in isolation. But we cannot live in isolation, and this is beginning to dawn upon us at this time. If anyone shouts, "Why did you do this or that in 1937?" let his shout.

Mr. FRASER (Northumberland, Ont.): I will tell you. You have always been wrong.

Mr. MacINNIS: No, I have not always been wrong, and even if I were I do not think you are the one to tell me.

Mr. FRASER (Northumberland, Ont.): I told you three years ago.

Mr. MacINNIS: Do not glower at me; you will not scare me.

Mr. FRASER (Northumberland, Ont.): I am not glowering; I am smiling.

Mr. MacINNIS: We are going to put our position before the house and we are going to do so in very few words, so that hon. members will know where we stand. As far as I am concerned, I favoured Canada's participation in this war. I favoured it regardless of the past policies either of this government or of the British government, because I was not unconcerned as to who would win this war; and because I was not unconcerned as to who would win the war I could not say, let the other fellow win it, we will keep out. I felt it affected me; it was my concern, and consequently I favoured Canadian participation in the war.

In Canada we have a country that is wonderfully rich—a country with great wealth and also great poverty. We want to see Canada's participation in the war carried on so that when it is over, the rich will not be richer and the poor poorer as they were after the last war. As soon as the Prime Minister (Mr. Mackenzie King) gives us that assurance, as soon as he assures us that the government will take effective measures to see that such a thing will not happen again, we will vote for this bill. In the bill that has been put before the house, however, there is nothing to indicate that it will not happen. As a matter of fact, as far as I can see, there is nothing in the bill introduced to-day that is not contained in the bill we passed yesterday evening, except the conscription of man-power. The government took every power in the bill that was before the house last night to do all of the things provided for in this bill except the conscription of man-power, so that this bill is put before us to-day for the conscription of manpower and nothing else. But we want to see other things conscripted so that, as I said a few moments ago, we shall not end this war with the rich richer and the poor poorer. We want a certain amount of assurance. I have in my hand the British House of Commons debates of May 22, 1940, when a similar bill was introduced there. Mr. Attlee, who was piloting that bill, said:

> This is an enabling bill under which regulations can be made.

The bill before us is an enabling bill under which regulations can be made. He went on:

> I want to give an indication as to the sort of regulations and the kind of control that may have to be exercised.

The Prime Minister to-day did not give any indication of the kind of control that would be exercised.

> Let me say that I do not want anyone to jump to the conclusion that all of a sudden everybody is going to be ordered to do something different from what he is doing now.

Now, we do not expect that, if this bill is passed to-day and the Prime Minister said that certain industries were going to be nationalized, therefore to-morrow all the

industries in Canada would be nationalized. We do not expect that, nor do we ask it. But we ask that an indication be given of what is going to be done with our industries. We were talking to-day about the position of the trade union movement. Will this bill be used to break down labour conditions that have already been won? We have no indication of what may happen in that regard. Mr. Attlee continues:

> With regard to conditions and pay, it is proposed that we should carry out, wherever they exist, industrial agreements which have been arrived at, and, wherever such agreements have not been arrived at, observe the rates normally paid by good employers. If there are cases, in which people are asked to shift from one district to another, there should be payment to deal with things of that kind. . . . Let me deal with a few points about control over property. Some establishments will be controlled altogether right away.

We have no indication that such will be the case here. Mr. Attlee continues:

> Others may be controlled later. They will in effect be working on government account. Wages and profits will be under government control. The excess profits tax will be at the rate of 100 per cent.

Mr. FRASER (Northumberland, Ont.): On a point of order, may I ask what the hon. member is reading from.

Mr. COLDWELL: Why do you not listen?

Mr. MacINNIS: Before I began reading from this report I said what I was reading from. The hon. gentleman was writing and did not hear me and so he had to rise to a point of order.

Mr. FRASER (Northumberland, Ont.): Thanks very much for the information.

Mr. MacINNIS: You will see it in *Hansard* to-morrow. The excess profits tax will be at the rate of 100 per cent, Mr. Attlee said. He went on:

> There will be no profit out of the national emergency.

Can the Prime Minister of Canada rise in his place to-night and say that there will be no profit to Canadian employers out of the present emergency?

Mr. DUPUIS: There has been none since the war began.

Mr. MacINNIS: I gave up believing in fairy tales many years ago. Mr. Attlee continues:

> Other establishments may be ordered to carry on and they may perhaps be ordered to carry on at a loss, but there must be power to carry on essential services, and if people are put in a position where they are making a loss, they must have adequate remuneration in order to do their job effectively. The essential thing is that over a wide field—how wide one cannot say at the moment—industry will be carried on for the community in fact, and not for private profit.

If the Prime Minister or any member of the government on his behalf will make such a statement to this house, then much as we dislike conscription of man-power, we shall be willing to vote for the conscription of man-power. But until such a statement is made, we are not going to vote for conscription of man-power because we know the long distance between the promises of this government and their fulfilment.

Mr. MACKENZIE KING: May I ask my hon. friend, in view of what he has just said, what value would attach to anything I might say, if what he has said is true?

Mr. MacINNIS: Well, I believe there is room for the position I have taken in regard to the Prime Minister's past promises. But after all—possibly due to this war of nerves—we are willing to rely once more on another promise in order to get something done. However, the Prime Minister can go much further than a promise. He can put it in the bill, and then there will be no doubt about it. And in order that we may get ahead with the bill as quickly as possible, I move the following amendment:

> That in the opinion of this house the governor in council shall not authorize the compulsory enlistment of man-power for military service until he has authorized the conscription by nationalization of essential war industries and financial institutions.

Mr. LAPOINTE (Quebec East): That is not an amendment to the motion for second reading. It is a resolution.

Mr. MACKENZIE KING: It is an expression of opinion in the form of another resolution.

Mr. SPEAKER: I am afraid the amendment is out of order. It is not an amendment but is rather a substantive motion.

Mr. MacINNIS: Before Your Honour makes any definite ruling may I draw to your attention—

Mr. SPEAKER: My ruling is not debatable.

Mr. MacINNIS: I am raising a point of order.

Some hon. MEMBERS: Order.

Mr. MacINNIS: I am quite willing to obey the ruling of the Speaker—

Mr. SPEAKER: Order. The ruling is not debatable.

Mr. MacINNIS: I am not debating your ruling, Mr. Speaker, but I want to refer you to the rule on which we base our amendment, paragraph 755, under standing order 75.

Mr. SPEAKER: I am sorry; I have already made my ruling. Any statement to be made should have been made before I made my ruling.

Mr. MacINNIS: I am very sorry that I have to appeal against your ruling. I would much rather explain my position, but if I may not, I appeal against your ruling.

Mr. Speaker put the question as follows:

Mr. Mackenzie King moves that the bill, an act to confer certain powers upon the governor in council for the mobilization of national resources in the present war, be now read a second time.

To this Mr. MacInnis moves an amendment:

That in the opinion of this house the governor in council shall not authorize the compulsory enlistment of man-power for military service until he has authorized the conscription by nationalization of essential war industries and financial institutions.

I have ruled the amendment out of order on the ground that it is a substantive motion and does not amend the original motion. The question now before the house is, shall the Speaker's ruling be sustained?

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the chair was sustained on the following division:

YEAS

Messrs:

Abbott
Adamson
Anderson
Authier
Bercovitch
Bertrand (Prescott)
Bertrand (Terrebonne)
Black (Chateauguay-Huntingdon)
Black (Cumberland)
Black (Yukon)
Blair
Blanchette
Bonnier
Bourget
Bradette
Brooks
Bruce
Cardiff
Cardin
Casgrain
Casselman (Edmonton East)
Casselman (Grenville-Dundas)
Chambers
Chevrier
Church
Cleaver
Cloutier
Cockeram
Coté
Crerar
Cruickshank
d'Anjou
Davidson
Dechene
Denis
Deslauriers
Diefenbaker
Donnelly
Dubois
Dupuis
Durocher
Edwards
Emmerson
Esling
Eudes
Evans
Factor
Farquhar
Ferron
Fleming
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser (Northumberland, Ont.)
Fulford
Gardiner
Gauthier
Gershaw
Gibson
Gingues
Gladstone
Golding
Goulet
Graham
Grant
Gray
Green
Gregory
Hanson (Skeena)
Hanson (York-Sunbury)
Harris (Danforth)
Harris (Grey-Bruce)
Hazen
Healy
Henderson
Hill
Hoblitzell
Homuth
Howe
Hurtubise
Ilsley
Isnor
Jackman
Jean
Johnston (London)
Jutras
King, Mackenzie
Kinley
Kirk
Lacroix (Beauce)
Laflamme
Lafontaine
Lalonde
Lapointe (Lotbinière)
Lapointe (Quebec East)
Leader
Leduc
Leger
Little
Lizotte
Lockhart
McCann
McCuaig
McCubbin
McCulloch
MacDiarmid
Macdonald (Brantford City)
McDonald (Pontiac)
MacGarry
McGibbon
McGregor
McIlraith
McIvor
MacKenzie (Lambton-Kent)
MacKenzie (Neepawa)
Mackenzie (Vancouver Centre)
MacKinnon (Edmonton West)
MacKinnon (Kootenay East)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Macmillan
McNevin (Victoria, Ont.)
McNiven (Regina City)
MacNicol
Marier
Matthews
Maybank
Mayhew
Michaud
Mills
Moore
Mullins
Mulock
Mutch
Neill
Nixon
O'Brien
Perley
Pinard
Pottier
Power
Purdy
Ralston
Raymond
Reid
Rennie
Rhéaume
Rickard
Roebuck
Ross (Calgary East)
Ross (Hamilton East)
Ross (Moose Jaw)
Ross (St. Paul's)
Ross (Souris)
Rowe
Ryan
Sanderson
Senn
Sinclair
Sissons
Slaght
Soper
Stirling
Stokes
Sylvestre
Taylor
Telford
Thauvette
Tomlinson
Tremblay
Tripp
Tucker
Turgeon
Turner
Tustin
Vien
Ward
Warren
Weir
White
Whitman
Winkler—182.

NAYS

Messrs:

Blackmore
Castleden
Coldwell
Douglas (Weyburn)
Fair
Gillis
Hansell
Hlynka
Jaques
Johnston (Bow River)
Kuhl
MacInnis
Marshall
Nicholson
Nielsen (Mrs.)
Quelch
Shaw
Wright—18.

Mr. W. A. FRASER (Northumberland, Ont.): Mr. Speaker, I would be remiss in my duty at this time and delinquent as a member of the House of Commons of Canada if I did not take advantage of the opportunity of addressing to you, sir, a few words in connection with the measure at present before the house.

But before proceeding, in order that there may be no misunderstanding with regard to the attitude of certain members and of certain groups of members in sessions which have passed, I should like to read one sentence of a speech delivered in the House of Commons on February 19, 1937, by the hon. member for Weyburn (Mr. Douglas). In part, the hon. member said:

> I say most categorically that we are opposed to the increases in the defence estimates.

That expresses the sentiments not only of the hon. member, because he distinctly stated that he was speaking on behalf of the group to which he belonged.

I think it is my duty as a humble member of the House of Commons to do what I can at this time, in the debate on second reading of the bill, to ask every hon. member in the house to be a realist. If it were possible for me, then as a humble Canadian citizen my voice would ring across the Dominion of Canada, to the total population of our country, urging them to realize that Hitler is pounding upon the heart of the empire.

Not only do I consider that this bill should be accepted—and accepted by a unanimous vote of the House of Commons—but I believe it is a bill which should have been placed before the House of Commons weeks ago. I believe the only sound which should be heard across the Dominion of Canada to-day is the sound of the production line. We should not have to delay on technicalities; we should not have to hide behind the red tape of orthodox finance. The red tape of departmental administration and the red tape of orthodox finance and of every individual and collective interest should be submerged for one purpose, namely, the prosecution of the war based on the total man-power and resources of the Dominion of Canada, before it is too late.

I say—and I say this as earnestly as any sentence could be uttered—that there is no "moderate" participation on behalf of Canada in this struggle. This is a time when every man and woman in Canada must realize that we are dealing with an international gangster, an international murderer. We should view with common sense what we hear over the radio, what we read in the press and what we learn from every bit of information coming into Canada to-day, so that we may have a total realization that not only the life of the empire but the future of the Dominion of Canada depend on the action taken by the government, the members of the House of Commons and people throughout the country.

I believe no time should be lost; nothing should be permitted to stand as an obstacle in our way. No delay should be tolerated. No group of persons should be considered, nothing should stand in the way of our objective, namely, the carrying on to a successful termination of a mobilization of all the forces of Canada.

That is where I stand to-night. That is where I have stood for many months, for a number of years. If by my pronouncements in the House of Commons to-night I can make even the most infinitesimal impression upon the convictions of hon. members or those of people throughout Canada, then I feel I have served my purpose in the emergency with which we are confronted. I suggest that the government of Canada, representing a dominion in the commonwealth of nations, should intimate to-day to Great Britain that she should mobilize her women and children; that she should mobilize her old men and her old women; that she should fill every ship leaving Plymouth, Liverpool, Glasgow or any other port of the British isles, and get those women and children on to the shores of Canada. I believe, sir, that we, the citizens of the Dominion of Canada—not only the members of parliament—should open our doors and our hearts to every child, every woman, every person who can be removed from the shores of Great Britain to-day.

I have not been one who has been under any misapprehension as to the position of Canada in the empire. I am not one who has listened to sob sisters. I am not one who has listened to psalm singers. I have been a realist from the beginning. I have seen the clear evidence from day to day of what has been happening in a world gone mad, in a Europe where the lights have gone out, and while this war has been spreading from the arctic circle to Assuan on the Nile. I am one who believes that right now, starting to-night, the government, through its departments, should get rid of every man, whether he be a civil servant, an officer in the army, in the air force or in the navy, or a contractor who, it can be proved, has placed one obstacle or one impediment in the way of the successful prosecution of the war by this country. I say to the Prime Minister and the members of the government that their primary obligation is to eliminate everything and everyone that stand in the way of the successful prose-

cution of the war. To my fellow members I say, let you and me take the lead. This is not merely a war of machines but a war of finance. I am not one of those who slavishly believe in the orthodox principles of high finance, whether in England or here, in time of war. I say, let us bring together men and materials to fight the Hun in Europe before we have to fight him on the shores of the St. Lawrence.

Mr. CHURCH: You are right. But Hitler had better stay away from the bay of Quinte.

Mr. FRASER (Northumberland, Ont.): May I say to my French Canadian colleagues from the loyal province of Quebec who have spoken in this debate to-day—and I regret exceedingly that I was not able to follow their remarks very closely—that as citizens of this dominion their homes, their families, and their lives are in jeopardy just as surely as we are sitting here, and we shall share the fate of Mother France if we do not wake up to the necessity of every citizen, you and me and every one of us, doing his utmost to win this war.

Let me make this suggestion to my fellow members of this house: Let us say to the government of Canada that we as members will devote 10 per cent of our sessional indemnity to helping the Minister of Finance prosecute this war. If we are not prepared to give our all, we shall have nothing to give eventually, and we shall not be debating here on the floor of this house or quibbling over the rules. If we lose the war we shall do what we are told, and we shall do it at the point of a bayonet. So let us members of this house as a body say to the Minister of Finance, take 10 or 20 per cent of our indemnities to help in financing the war. Let us fling everything we have into the struggle, and then we shall find out who is loyal.

I apologize to you, Mr. Speaker, for taking up the time of the house, and perhaps a word of apology is due to my fellow members, but I live and breathe this very thing. Standing in my place in this house three years ago, on February 19, 1937, I asked for $100,000,000 to be placed in the estimates for defence, and it was opposed by every member of that group in the far corner. But we all realize to-day that the only way to fight Hitler is with bombers, machine guns, destroyers, tanks and every other kind of war machinery that we can mass together.

In conclusion I say earnestly, from my very heart and soul, let the government take heed, let the members take heed, and let the people of Canada from the Atlantic to the Pacific take heed, for the hearts and homes and lives of every one of us and of our loved ones in this dominion are threatened to-day by Hitler and his ally.

Mr. MAXIME RAYMOND (Beauharnois-Laprairie) (Translation): Mr. Speaker, I am sorry that we have been asked to take a decision on such short notice concerning a matter of so grave an importance, and notwithstanding the circumstances stated in the preamble, I believe that a twenty-four hours' notice would not only have proven unprejudicial to the cause of the defence of Canada but would have enabled us more fully to appraise the significance of this measure.

I have already made clear in this house on more than one occasion, notably in the course of debates on military estimates and the external policy of Canada as well as during the special session of 1939, that I stood opposed to the participation of Canada, a free and sovereign nation, in any external war. Each time, however, I did state that I was ready to vote any amount and support any measure thought necessary for the defence of Canada in Canada.

The present bill empowers the governor general in council to mobilize the human and material resources of this country to ensure its security.

And the Prime Minister has assured the house at the same time that the government would not impose conscription for overseas service and I wish to give him credit for this statement.

I regret that the government and parliament, in decreeing our participation in this war have placed themselves in a position where they are now obliged to resort to the mobilization of the entire human and material resources of this country in order to provide for its defence. Such is the result of our participation. By declaring war on Germany, we assumed the risk of having to defend ourselves some day against her onslaught and that is precisely what I opposed. The Canadian Militia Act already authorizes the governor general in council to mobilize all our man-power up to the age of sixty for service in the defence of Canada, both inside and outside the country. Now the measure at present before the house has in view the mobilization of human and material resources for the defence of Canada. Why have provided for the mobilization of our man-power in this bill when such a step could have been taken under the Militia Act?

Has the government exhausted every means of recruiting at its disposal? Has there been any appeal for volunteers to defend Canada before resorting to this measure? These are

all questions that spring to my mind and which I find myself unable to answer at the moment.

I am prepared, as I have always been, to ensure the defence of Canada, but before supporting any conscription measure I would have to be sure that all other means have been exhausted.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, the hon. member for Macleod (Mr. Hansell) and the hon. member for Lethbridge (Mr. Blackmore) have outlined the general policy of our group on this question, and I shall therefore make just a few observations further to clarify our attitude.

I think we are all agreed that our major objective is to win the war and that every endeavour must be made to that end. Therefore we in this group maintain that it is necesssary to mobilize first of all the financial resources of the nation, second, our industrial resources, and lastly, our man-power. To suggest for one minute that we can make a major contribution towards winning the war without first of all mobilizing the financial resources of the nation shows, I think, a deplorable lack of understanding of the economic system.

I find to-day that people all over the country are asking this question: How is it that a nation like Germany, which in 1932 was bankrupt, without capital and at the same time with over seven million people unemployed, is to-day in a position where she has conquered one nation after another? Of course we know that it was possible for Germany to do that only by first of all making her financial policy subservient to her national policy. In the past six years, ever since Hitler's rise to power, it has been quite apparent that Britain would probably be embroiled in a European war, in which event Canada as a member of the commonwealth of nations would also probably stand by her side. Yet, knowing these things, having them constantly before it, this government during the past five years has continually maintained a policy of laissez-faire. The Prime Minister (Mr. Mackenzie King) has tried to make the excuse that public opinion would not have allowed an increase in expenditures for war purposes. Why was that so? It may have been true, but there was a definite reason; it was because the Minister of Finance dared to tell the house that there was only so much money available; that if more money were used for the purpose of defending the country, there would be that much money less to meet the needs of the people, and that the people were not prepared to have their social services cut down on that score.

We have heard a great deal about subversive elements, but I would say the greatest subversive element which has been at work in Canada during the past five years is the financial policy of this government. When the hon. member for Parry Sound (Mr. Slaght) talks about hanging those guilty of sabotage I would say, if we are going to do any hanging let us hang the really great saboteurs of this country, those people who by their policy have forced this country into the condition in which it is to-day, a condition whereunder we are not able to make an effective contribution towards defeating Hitlerism.

Time and again in this house this group has urged a more energetic development of our resources by a carefully controlled policy of monetary expansion, but always we were met by an hysterical outburst of the then Minister of Finance that such a proposal would be inflation. I suggest it might be a very good thing for the former Minister of Finance to go over to France to-day; let him stand up in front of the onward-rushing tanks, hold up his hands to them as he did to this house, and tell those tanks they are not sound because they were built as a result of monetary expansion. Then let him see how quickly he will be deflated, as his policy has deflated this country; let him see how soon he will be wrecked, as his policy has wrecked the health and well-being of thousands of the people of Canada during the past few years.

I believe the minister will agree that the real cost of the war must be met during the war. I know the Minister of Finance (Mr. Ralston) has said that he has not made that statement this session, but I would point out that on September 12, 1939, in this very house, the acting Minister of Finance made that statement; and in view of the fact that the present Minister of Finance was the Minister of Finance at that time, surely he would not suggest that the acting Minister of Finance in September last made a statement with which he did not agree. I should like to read to the house a statement which was then made by the acting Minister of Finance:

> The real costs of a war must come out of current production.

The Minister of Finance, replying the other day to the hon. member for Macleod (Mr. Hansell), said he never made that statement. I would again point out that this statement was made by the acting Minister of Finance on behalf of the minister. I will read further down:

> Taking it by and large, the fact is that the shells that are fired and the other goods and services that are used up in the course of a war must be produced during the period of the war. This being the case, it follows that, and

I repeat it again, in real terms, namely, in terms of the loss to the nation of this production, a war is paid for substantially during its duration.

If that is the case, Mr. Speaker, I would ask, what possible excuse can there be for leaving a great debt at the end of the war? The minister will agree that it is possible greatly to increase the production of the country to-day. The minister will also agree that anything which is physically possible and desirable can be made financially possible. That statement was agreed to by the governor of the Bank of Canada. If then it is possible greatly to increase the production of the country, and if the real cost of the war is incurred during the war, what possible excuse can there be for piling up a great debt against the country? It will result in a condition whereby the people of Canada will be in debt to, comparatively speaking, a small number of people as a result of the profits and savings which they acquire during the war. If the real cost is incurred during the war, what possible excuse can there be for such a condition? What justification can there be for placing a levy against the people of this nation for time everlasting in order to pay for a war which will have been already paid for in human lives, in blood and sweat, and in material? Yet the government have the nerve and audacity to say that they are going to insist upon equality of service and sacrifice. How much equality is there when, while men are sacrificing their lives to the winning of the war, we allow individuals in this country to pile up profits by which they will be able to exact tribute from the people of this nation for all time?

I maintain that any man who can go through this period and be no worse off at the end of the war than he was in the beginning should consider himself lucky. When one thinks of all the men who will be slaughtered, when one reflects that many of the survivors will reach the end in a maimed condition, it is natural to ask, is it a desirable condition that there shall be men in this dominion piling up profits and savings from that blood money? How can the government pretend that they are going to insist on equality of service and of sacrifice? No attempt has been made by them to bring about any such equality. How can they say they have a pay-as-you-go policy when they are continually piling up debt? Within a few weeks of the outbreak of the war we borrowed $200,000,000 from the chartered banks. Not long afterwards we borrowed another $200,000,000. They are merely creating a smoke-screen by trying to persuade the people that they are paying for the war with twenty-five cent stamps. We know that practically the whole cost of the war is being paid by borrowings from financial corporations and banks. While it is true that a considerable number of people are subscribing small amounts, when the history of this war is written and the financial accounts are rendered we shall find that only a very small number of people and financial institutions have really financed the cost of this war.

So, Mr. Speaker, this group maintains that if we are to make a really maximum contribution; if we are to pursue a pay-as-you-go policy; if we are to assure equality of service and sacrifice, we must use that bank which was nationalized by the government, the bank which, the Prime Minister stated, would issue currency and credit in terms of public need to meet the domestic and social requirements of the Canadian people. I ask why that is not being done to-day? Why should we have to borrow from financial corporations; why should we have to go to the private banks, when to-day we have a bank of our own? If the resources of the Bank of Canada are used as they should be, we can truthfully say that we are following a financial policy which is based on the pay-as-you-go principle. Let us finance this war through the Bank of Canada, taking what money we need from that bank, increasing taxation in the most equitable way possible, and introducing price control so that there will be no danger of inflation. Then the Prime Minister will truly be able to say that we have adopted a pay-as-you-go policy and have insisted on an equality of service and sacrifice.

Hon. P. J. A. CARDIN (Minister of Public Works) (Translation): Mr. Speaker, I would like to add my very humble contribution to the debate in French to which we had the advantage of listening this afternoon. The speeches which were then made against the bill now under consideration recalled to my mind the oft stated truth that there is actually little difference between men as regards their ideas and principles, and that the sole difficulty lies in their method of approaching a problem. Generally, everything depends on setting the problem correctly.

As I listened to those speeches, I asked myself, in good faith and with due respect to those who have spoken before me, whether the hon. members had read the bill they were criticizing. Reading it over and over again, I can find nothing in its provisions that would justify the attitude of the hon. members who are opposed to the principle of this bill.

Judging by the remarks addressed to you, Mr. Speaker, one might feel that the house were considering the adoption of a conscrip-

tion measure intended to go immediately into force and to empower the military authorities to draft every child, boy and able-bodied man in the country. This is not at all the spirit of the act nor is it the meaning of the bill at present under consideration. The government merely seeks, through this measure, the authority to take, according to circumstances and to our needs, adequate steps for the defence of Canada. That is the whole meaning of the bill.

Now why frighten the youth of our province and our country, why frighten ourselves by raising in every mind the nightmares or the dreams of tired men? The government is merely seeking the authority, in an hour of danger the gravity of which is realized by every well-thinking person throughout the world, the government merely seeks the power to adopt, in this grave situation, at its own discretion and according to circumstances, the means required to safeguard the very lives of those who oppose the bill.

It may be, perhaps, that they have not had time to read the bill. As a matter of fact, it was given to us only a short time ago. But the gravity of the present situation and of the danger which threatens us all increases hourly. No one should criticize the government for not adhering strictly to the time limits set by parliamentary procedure and for being slightly late at times with urgent measures such as the one we are now considering. This bill, however, is very brief and could have been read, well digested and understood in a few minutes.

This power which the government may have, if the bill is passed, to draft the able-bodied men of the nation into the service of their country, is limited in its application—one cannot repeat or stress it too much—this power is limited in its application by the statement, repeated four times in the bill, that military service shall be limited to Canada. There is no need to be a brilliant thinker nor a great legislator to understand the provisions of this bill. In the first paragraph of the preamble, we note the following:

> Whereas by reason of developments since the outbreak of the present war a special emergency has arisen and the national safety of Canada has become endangered;

Let us consider next the second paragraph of the preamble where we find:

> Whereas it is, therefore, expedient to confer upon the governor in council special emergency powers to permit of the mobilization of all of the effective resources of the nation, both human and material, for the purpose of the defence and security of Canada.

[Mr. Cardin.]

And you come now to section 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.

Is it plain enough, is it clear enough?

Now, proceeding in logical order, we find that section 2 which is the pith and substance of this bill, begins with the following words:

> Subject to the provisions of section three hereof, the governor in council may do such and such a thing. . . .

So it is clear that these powers are being taken, so far as military service is concerned, only for the defence of Canada.

Can anyone find serious objection, I ask you, against a bill such as this?

I have heard one hon. member state in the course of his remarks: "It is all very well to empower the government to enlist men and to control the wealth of this country, but we must remember that within the past few years and even within the last few months, the government has allowed the exportation of raw materials and goods which may be used for war purposes." Arguments such as this do not amount to anything. What is the use of criticizing to-day what has happened last year or a few months ago? What we have to keep in mind to-day is the situation in which Canada finds itself but we should not trouble about the past. Mr. Speaker, it is the present that matters, and particularly the future, fraught with dangers and so ominous for the whole of our population, irrespective of race or creed. Such is the responsibility that lies with the government and with all those who are bent on doing their share for the defence of liberty and the safeguard of democratic institutions in this Canada of ours, even if they will not take any interest in what is going on overseas. Such is our duty, if we see it clearly, rather than to stir up prejudices and revive old quarrels which come from a lack of information or of a proper understanding of the real situation which the country has to face.

There has also been a question of the conscription of wealth. It is claimed that this bill does not go far enough and that while provision is made for the conscription of able-bodied men the same attention is not given to the conscription of wealth and material goods. I contend that the bill now before the house, Mr. Speaker, goes further than any similar measure taken in the whole British empire and even in Britain herself. This bill confers on the government unlimited powers over Canadian citizens and Canadian property. Whenever the present government or

any other government shall decide to apply this measure, they will have power to take every action that is now being taken in Britain with regard to conscription of men, wealth, finance and economic resources.

Every possible authority is given there in comprehensive terms and this bill covers conscription of wealth just as much as that of man-power. And when it is suggested that finance should be enlisted to fight along with the soldiers, I wish to state that under the bill now before the house the government is authorized to request finance to keep step with the soldiers in their fight for our liberty. The bill now being submitted to the house could not be worded in more general terms. This bill covers everything.

In any event, what the government is being given under this measure is the broadest blank cheque, ever given to its executive by any parliament for the administration of public affairs and the safety of the sacred interests of the nation.

It has been stated just now that if we are now called upon to vote on a measure of this kind it is because we have made the mistake, in the past year, of taking part in the European conflict. I cannot understand anyone expressing such an opinion and I cannot understand how, when attempting to voice the opinion of the province of Quebec, one can so give the lie to the vote given during the recent provincial elections and during the last federal election, elections during which my old and intelligent province of Quebec gave its approval to Canada's participation in the war and returned the very government which had decided to participate in the defence of liberty and democracy in the world. The people of my province possessed enough vision, enough intelligence to realize that by restricting their participation to the defence of the Canadian soil only, their participation should prove of no avail, that it would prove fruitless whenever Britain and France were crushed. At such a time, rhetorical, high sounding speeches and empty words concerning the defence of Canada shall partake only of the theatrical and shall be devoid of any quality of true patriotism to be found among men whose main preoccupation is to forestall possible threatening dangers and to prepare, as intelligent men, for the defence of the country.

I am not afraid to return to my province and to my county, to support the bill which the Government is now submitting to Parliament for approval.

Mr. LAPOINTE (Quebec City): Hear, hear.

Mr. CARDIN: I have too much confidence in the understanding of my electors and in their true patriotism to hesitate for one moment to meet them or to set forth before them our point of view and the present situation.

Moreover, we would only be repeating what we have been telling them at two memorable elections in the province of Quebec. With all due respect for those who do not agree with me, I say that when they speak as they have they do not represent the views of the province of Quebec.

Mr. Speaker, an hon. member said: "I am in favour of the principle of the bill, but I am going to vote against it." He did not have faith in the government because, said he: "You have not been logical and the Prime minister himself is not logical in his statement." I wonder how logical the hon. member is when he says: "I am in favour of the principle of the bill, but I will vote against it because I have no confidence in the government." Such arguments are worthless in opposition to this measure.

Moreover, Mr. Speaker, although the bill is a government measure, it will when passed by the house no longer be the bill of the government, but a law enacted by the Parliament of Canada. It will be the law of the land and not an act of the government for the time being in charge of the affairs of Canada.

The arguments brought forward have no foundation. In spite of all efforts to quote statements made by someone or other in various circumstances by detaching phrases from the general context of speeches, the clear and explicit terms of this bill remain. The bill must be taken as it is and interpreted according to its terms, without taking into consideration so-called reproaches heaped upon the government or some of its members concerning the consistency of their position or of their statements.

Mr. Speaker, one of my good friends said to us in the course of his remarks: "With this act, with this extravagant war effort on the part of our country, we are going to bankrupt Canada, and to jeopardize our financial stability, we shall run into considerable difficulties and perhaps put ourselves in the position of being unable to provide for the reestablishment of our soldiers after the war." I have much respect for the honourable member, but I cannot have much respect for such an argument. What will be the value of our petty chattels and even of our great assets, what will become of our accumulated wealth if Germany succeeds in crushing under her blood-stained boot the combined strength of France and England? What will become of our savings, and of the money deposited in the banks or invested in industrial plants if the military power of France and England is annihilated? Our so-called

wealth will be worth as much as that of Poland, of Czechoslovakia, our so-called assets will have just the value that those of Holland, Norway and Belgium have to-day.

That is how the problem should be faced. During the last election I stated many times, in the province of Quebec something which I am not afraid to maintain before the people, before every one of my fellow-citizens: Money is of no importance when the freedom of a nation is at stake.

I cherish highly the liberties I enjoy in Canada, the right to speak my mother tongue as I am doing at present in this parliament, where the majority are English-speaking; I appreciate this freedom, as well as that of practising my own religion, so highly that I would not trade them for all the money in the world. I place above every financial consideration the rights and liberties I have enjoyed, with my people, on this American continent, under the British flag.

No doubt there have been clashes at times, and we have encountered difficulties; there have undoubtedly been moments of friction between ourselves and our English-speaking fellow citizens, and we have perhaps certain claims that are worthy of more serious consideration than has been given to them up till now, but I say that this is no longer of moment, that it is a thing of the past. I am only concerned with knowing to-day if I shall continue to enjoy liberties which I cherish and if I shall continue to live as a free citizen on this Canadian soil, which was formerly called the New France.

Mr. Speaker, some hon. members say that they cannot come to a decision without consulting their electors or the province of Quebec. There is no need of consulting the province of Quebec. The electors of Quebec were consulted twice in the space of a few months and they rendered an unanswerable verdict. Quebec said what she thought; she expressed her approval in a most striking manner of the policy of Canadian participation in the war. When she declared herself opposed to enforced registration and to conscription, she was thinking of conscription for overseas service. But I am unable to believe, such is the pride which I entertain for my race, that any of my compatriots can not appreciate the liberties we enjoy, or has no interest in the future of liberty and democracy in the world. I am unable to believe, Mr. Speaker, that my compatriots would be so lacking in courage, in vision and in patriotism to refuse participation in the defence of Canada whose noble soil covers the ashes of our forefathers, who reclaimed it from barbarism for civilization and Christianity.

[Mr. Cardin.]

No, Mr. Speaker, there is no need of consulting the province of Quebec. Such an action would perhaps provide a few agitators with an opportunity to make some noise. An hon. member has told us: "There will perhaps be some agitation in Quebec." Let me re-assure you as to that, Mr. Speaker. The right-thinking people of Quebec are with the government; they are in favour of our participating in the war to the extent of our ability and they are ready to defend Canada with the greatest energy. That is the view of the people of Quebec and it is well known. To consult them on that subject would be to express a doubt, to entertain fears as to their state of mind. No, I do not wish thus to insult the good and wise province of Quebec, in thinking that it does not understand the situation and is afraid of responsibilities. My compatriots are too attached to tradition, they are too grateful for the noble deeds of their ancestors to refuse to defend the soil of Canada, their fatherland. I say to my good friends: "You are mistaken. Should you consult them they would tell you that you did wrong to question their patriotism, that you misjudged the people who elected you to represent them in the House of Commons."

Mr. Speaker, everyone seems to admit that there is danger or, at least, that there may be danger. But those who oppose this measure say: "Let us wait a little longer; it may be dangerous to do so, but let us wait to prepare ourselves until the danger is at our gates." It will then be too late to defend ourselves.

Mr. LAPOINTE (Quebec East): Hear, hear.

Mr. CARDIN: A handful of men, ten or eleven million of a population on an immense territory like that of Canada, we would be unable to defend our country when the might of England and of France have gone under. It would be too late. The time to act is now, before the enemy seeking to invade our territory appears at our gates.

We should wait, say some hon. members. With what would we defend ourselves? At this moment, Mr. Speaker, we do not even know what is to happen to the French navy following the treaty to be signed between Germany and unfortunate France. Let us suppose for a moment that France's navy were to be handed over to Germany and Italy. What would be the position of England, at whose side we are fighting to-day?

There is every reason to fear the surrender of the French navy to Italy. What might happen if together with whatever German fleet there may be, they undertook to fight

the British fleet? Who would be able to quietly fall asleep at night and indulge in pleasant and amusing dreams? Our soul would be torn by fear and anxiety because we would not know what would be the fate of the world the following morning.

The time for action is not to-morrow; the time for action is to-day. Together we must make use of all those forces which Canada is able to mobilize in order to prepare ourselves for the defence of Canada. If it does not become necessary to defend ourselves, so much the better; but if it does, it will at least be a consolation for us to think that we have seen to it in time and that we have made preparations when it was still time to do so, instead of waiting until the last minute to put up a stage fight.

Mr. Speaker, reference was made a while ago to great and noble France. In his speech, the hon. member who seconded the amendment, which you have ruled out of order, drew a fine picture of the intellectual, moral and military glory of the old country whence came the forefathers of us, French Canadians. He pitied the fate of unfortunate France. Allow me to tell him, Mr. Speaker, that France, poor France, is agonizing at the present time. She has always stood, down the course of history, as a shining beacon illuminating the progress of ideas and principles throughout the world, and has spared neither sacrifice nor the life of her sons in the defence of freedom, in protecting the weak and the humble. She has ever been in the forefront of spiritual progress, of intellectual development and of liberty. Poor France, she has suffered down through the ages because of her principles and of her noble feelings of humanity. She has just put up such a valiant struggle as to prove even the humblest soldier of her powerful army a hero. One after the other, by the hundreds and by the thousands, they have fallen on the battlefields and have been crushed by the barbarian Hitler's powerful war machine. They have fallen in defence of humanity, in defence of human liberties, yours and mine, my friends. They have fallen together with other noble allies to save democracy and fight slavery. Let us bless their memory but, in heaven's name, let us respect their sacrifice. Let us not use it to justify our inaction in the presence of danger.

Anyone who refuses Canada the right to control all its human and material resources in order to ensure the defence of our territory, has no right to invoke the name of France, it is a sacrilege.

I trust you will forgive, Mr. Speaker, if I have expressed myself somewhat heatedly, and I am sure my good friends who do not share my opinions will do the same. They know me too well not to do so. They are aware that I am not a good politician, that I am far from being a good parliamentarian. I would be a poor diplomat. I can only play the game when all the cards are on the table. I have no way of hiding my feelings or my thoughts and when I deal with matters such as these I am forced, by nature, to follow the dictates of my soul and all my feelings. That is why I have perhaps injected too much heat into these remarks. I therefore beg your forgiveness, Mr. Speaker, pleading my sincerity and good intentions.

I have endeavoured, to the best of my ability and according to my modest lights, to explain my point of view and convince, if possible, some of my compatriots of the value of the bill at present before the house, as well as to request them to show confidence once again in this administration, to show confidence in the present prime minister who has introduced in this parliament a bill consistent with the policy he stated during the entire recent electoral campaign, and which we ourselves have stated in Quebec during the last two elections we contested in that province.

I do not want to resume my seat without dissociating myself from those who always place their reliance in the Monroe doctrine. I have had occasion, at the two last elections in the province of Quebec, to discuss the argument based on the protection provided by the United States. I say that it would be a mistake to place our sole trust in the application of the Monroe doctrine for the protection of the liberties of Canada and of the rights and privileges enjoyed by the province of Quebec. Moreover, it is unworthy of a citizen of Canada, which we are pleased to call a great country, to shift our responsibilities on our great neighbours.

Mr. LAPOINTE (Quebec East): Hear, hear.

Mr. CARDIN: I have no use for that kind of patriotism which would limit itself to selling produce, materials and arms, in short, to making money without accepting the responsibilities of a free and independent people.

Doubtless we can help the cause of liberty and democracy by supplying arms to England and her allies; doubtless we can help them by sending them as much as possible in the way of munitions and foodstuffs; but I ask those who bring forward this argument: Do you not in your heart feel a bit ashamed of thinking only in terms of money while abandoning to your neighbours the protection of your life, of your possessions and of your rights!

Mr. Speaker, I spurn that theory. I do not want it to be said in the country that we are trying to hide behind the Monroe doctrine.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the house will recall that this afternoon, after making a brief reference to the very critical condition in Europe, I proceeded to set forth certain measures the government had decided to introduce immediately, in order to meet the emergent conditions with which our country is now faced. In the statement I made at the time I gave a very full outline of the measure before the house to-night. If at the beginning of the debate on second reading I failed to speak again, it is because I thought that in my preliminary statement I had set forth all the essential features of the measure. I had thought, too, that the measure itself was so clear in its limited number of sections that there would be no difficulty on the part of any hon. member to understand fully what was meant. More than that, I realized that many hon. members had a very full knowledge of a similar measure passed by the British parliament. I had thought, indeed, that most hon. members were familiar with that measure; in fact, several hon. members who have questioned my not speaking on the second reading have quoted from it this afternoon.

For those reasons I thought it unnecessary to take up the time of the house with a second statement of the principle involved in the measure, particularly because the extreme need for immediate action must be apparent to all who are concerned about the present position of our dominion, in view of the appalling changes which have taken place in other parts of the world. I mention these points because some hon. members have rather called in question the fact that I did not speak at the outset of the debate on second reading.

May I at once refer to the situation which occasioned the British government to introduce the measure which is very similar to the one now before this House of Commons, and on which indeed the present measure is based.

Hon. members will recall that when in September last war began, the British government immediately adopted the defence of the realm regulations. We in Canada followed a similar course. We gave ourselves virtually the same powers as the British government had taken in dealing with the situation at that time. It was not until May 22 of this year that the government of the United Kingdom felt it necessary to supplement the powers which had been given to them by parliament in September by introducing a further measure in the nature of an amendment to the previous act, and giving additional powers to meet a very emergent situation.

What was the emergent situation which developed on May 22 which had not existed before? In a word it was this, that for the first time the United Kingdom found there was no longer a single country standing between her and the enemy. Since the beginning of the war Germany had not merely extended her power over Poland, which she invaded at the outset, but swept into Norway, and she had swept through Denmark, subjugating that country. She had gone into Holland and into Belgium and conquered those countries, and at that time she was invading France. The result was that for the first time in the history of Europe the British isles found themselves with only the North sea and the English channel separating them from a German foe. That is a condition which has never existed heretofore.

May I point out, with respect to Canada, that the parallel is very striking, if we but stop to think of the situation which exists to-day. At this very time France lies under the iron heel of Germany. And with what result? With the result that also between ourselves and the enemy there is no longer a single country. There are the waters of the English channel, and the waters of the Atlantic, but that is all there is between Germany and the British isles and ourselves.

Mr. HANSON (York-Sunbury): There is the British navy.

Mr. MACKENZIE KING: I am speaking geographically just now; I am not speaking of measures of defence.

Mr. HANSON (York-Sunbury): Do not forget the British navy.

Mr. MACKENZIE KING: I hope my hon. friend will not assume that I am not trying to give all honour and credit to the United Kingdom and its forces that can possibly be given. My hon. friend knows I am doing that. Perhaps my hon. friend will see that he would have been wiser not to have said what he has said, in view of what I am about to say now. At this very moment we do not know what disposition, if any, has been made of the French fleet. We do not know what disposition is going to be made of that fleet. I have been receiving dispatches this evening, as I have sat here, with respect to that very matter, and up to this hour we do not know what disposition has been made of the French fleet.

Now may I ask this question? Suppose the French fleet has already passed, or should

pass into the hands of Germany to-morrow. What is there that stands between the enemy and our country other than, as the leader of the opposition has said, the British fleet? That is all. What about the French possessions off our coast, St. Pierre and Miquelon? Might not Germany feel, as part of her subjugation of France—we do not yet know what the terms of any armistice may be—that the next step must be the immediate possession by Germany of the outlying possessions of France? Who will say, who can say to-night, that there may not already be crossing the Atlantic part of a fleet that Germany may have seized in order immediately to carry the war into other parts of the world in addition to Europe to which continent fighting has been mostly confined up to the present. That is one of the reasons why we as a government felt that it was necessary to ask this house to give us additional powers, powers in addition to those which we have under the defence of Canada regulations, powers if not greater, at any rate as large as those—and this may be a surprise to some—that we already have under the Militia Act.

I want to say a word about the powers which this country has under the Militia Act if the government chose to exercise an authority which the government of Canada has had ever since 1868. The point I wish to bring home at the moment is this: It is essential that we should let this country know that there is an emergent condition of very grave character, and that not an hour nor a moment should be lost in giving the government all the enabling powers that it may need to deal with this new situation.

Some hon. members have referred a great deal to the statement made by Mr. Attlee at the time he introduced the corresponding British measure. May I draw to the attention of hon. members how long it took to put that measure through the British parliament? Debate on the bill commenced shortly before 3.33 in the afternoon of May 24. The resolution had been passed, the bill introduced, three readings and committee stage passed, and the whole was completed by 5.22 in the afternoon—less than two hours. And here we are, with imminent danger facing this country, and it looks now as if we are probably going to be two days instead of two hours upon this bill.

Some hon. MEMBERS: Oh, no.

Mr. MACKENZIE KING: I had rather expected, when I presented the existing circumstances to the house at the outset, that hon. members would be so concerned about the well-being of their own country that they would be ready to see this measure for its more adequate protection put through the two houses in Canada as speedily as it was put through both houses of parliament in Great Britain. I did not think, Mr. Speaker, that when dealing with a situation such as confronts us, time would be lost by this house in an appeal from your ruling on a point which was at best a very trivial one in the light of the circumstances of the moment.

May I now cite what Mr. Attlee said. My hon. friends particularly of the Cooperative Commonwealth Federation group have referred to him frequently. Let me read what he said in introducing the measure, and then I will come to the paragraph which has been so frequently quoted. Mr. Attlee began by saying:

> I have to inform the house that the present situation is so critical that the government are compelled to seek special powers from the house by a bill to be passed through all its stages in both houses of parliament to-day.

I can repeat those words literatim et verbatim in regard to the position of Canada as we see it as a government at the moment. Mr. Attlee went on—I shall leave out a few sentences:

> A great battle is now proceeding. . . . The result of that battle we cannot know, but it must be clear to all that the next few weeks will be critical. Our ruthless enemy, who is restrained by no considerations of international law, of justice or humanity, is throwing everything into the scale to force a decision. We are resolved that he shall not succeed. The government are convinced that now is the time when we must mobilize to the full the whole resources of this country.

That is the position that we have taken, that the time has come when we must mobilize to the full the whole resources of this country. Mr. Attlee went on:

> We must throw all our weight into the struggle. Every private interest must give way to the urgent needs of the community. We cannot know what the next few weeks or even days may bring forth, but whatever may come we shall meet it as the British people in the past have met dangers and overcome them.

Has not the situation become identical so far as Canada is concerned? Mr. Attlee was speaking of the position in the United Kingdom as it was at that time. For Canada the situation is identical as it exists to-day. The situation has become one of Canada being directly faced by an enemy which now possesses the whole or at all events the greater part of western Europe. And do not let us forget that, instead of just one enemy, there are now two, because Italy is in this war as well as Germany and this country is at war with Italy as she is with Germany. Do not let us forget that.

But let us realize this. We have been watching Germany as she has pursued her conquests in different parts of Europe, and we have been saying that after she is finished with France she will immediately make an attack upon the British isles. But are you sure it is going to be the British isles only, or that the British isles will first be attacked, and that only then other parts of the British empire will be attacked? I do not like to speak in words of defeat because I do not think any member of this house has that thought in his mind, just as I have not. I believe in ultimate victory; but I also believe, as I said this afternoon, that it is going to be a very long and a very sorrowful path before that end is reached.

But to-day the position is this. Germany and Italy combined are fighting the British empire, the British commonwealth of nations that makes up our empire. They are going to pick and choose as to which particular part they will attack first. They know the part that Canada has taken and is taking in this war. They know to what extent Britain is dependent, and will become increasingly dependent once they seek to surround her shores, upon the men, the food, munitions and other aid that flow from Canada across the Atlantic, and it is as certain as night follows day that they are going to use every effort in their power to see that aid from this dominion and from the other dominions is stopped as rapidly as possible. In such circumstances are the hands of the government to be tied and is the government to be prevented from exercising the authority under this measure that we are seeking and consider necessary? I am amazed that it should not have been possible for us to have concluded this debate this evening. I see it is now eleven o'clock.

If the house will allow me to conclude my remarks I shall not take much longer, but I should like to answer some of the questions that have been asked by some hon. gentlemen opposite.

Some hon. MEMBERS: Go on.

Mr. MACKENZIE KING: I am grateful to hon. members for having given permission for the bill to be passed through its various stages to-day, and I should like to show my appreciation by seeking to answer, before I conclude, some of the questions which have been asked.

One of the questions that was put was: Would the government indicate what it intends to do with the powers that are being given to it under this bill? But before I answer that, in case I should overlook it, may I refer to the other matter to which I alluded a moment ago, namely, the powers we already have under the Militia Act. Under the War Measures Act we have powers to go very far in what we may wish to do, but under the Militia Act we have also powers, and they relate to the conscription of men, not to the conscription of wealth or to the conscription of property, or materials or whatever other entity you may wish to designate, but to the conscription of men in Canada. Here is the law as it stands to-day. I quote section 8, subsection 1 of the Militia Act. It makes provision for the conscription of man-power in the following terms:

> All the male inhabitants of Canada, of the age of eighteen years and upwards, and under sixty, not exempt or disqualified by law, and being British subjects, shall be liable to service in the militia: Provided that the governor general may require all the male inhabitants of Canada, capable of bearing arms, to serve in the case of a *levée en masse*.

That is part of the law to-day. One or two of my hon. friends who have spoken this afternoon and have been talking about conscription, as if we were introducing something new, forget altogether that when it comes to the defence of Canada the law of this country has given the government that authority by statute ever since the first year after confederation. There is one difference between our law as also the power we are seeking in the present bill, and the authority as it exists under the British law. It is a difference which limits rather than extends our power. Under British law conscription of man-power is conscription for service anywhere. As in the Militia Act we have in the present bill purposely by a special clause in this measure kept a pledge which we on this side of the house made before and at the beginning of the war, that we would not, while this administration was in office, enact a law for the conscription of men to be sent overseas. We have kept that promise by a clause which is specifically set forth in the bill that is before the house to-day. In other words, we have in this particular measure gone no further in the right of mobilizing man-power than we had authority to go under the law of this country as it has been since 1868.

I may be asked, "Why, if you have that law, do you find it necessary to introduce this?" I will give you one reason. The law as it now stands, provides that when selecting men by compulsion, they are to be chosen by ballot, which means that, no matter how well-fitted a man may be for one calling and how unfit for another, he may be chosen by ballot to render a service which he is less well-qualified than is some other to render. Under the power we are asking to-day we seek to remedy that state of things, by giving the

government the power to decide what particular work is to be performed by particular individuals should the occasion arise to make a selection. From the beginning of this war up to the present moment, if one thing more than another has been impressed upon the administration by those who have counselled us from other quarters, it has been, that the outcome of this war is going to depend upon the output of the resources of the country in the form of food, of munitions, of aircraft and other armaments, quite as much as upon the men who serve in the active forces, and that so long as sufficient men can be found for combatant duty, no greater mistake can be made than to take a valuable mechanic, highly skilled and trained, out of some industry where he is capable of making, say, aircraft and put him into a regiment where he will have to serve instead of some other person far better qualified as a soldier than he may be. Now, under the measure we are introducing to-day, we have the power to make that kind of selection if it is necessary, and I think it is a very wise discretion to give to the administration.

I come now to the inquiry as to how we are going to exercise this power. I would say, in a word, that we shall continue to exercise all the powers we have or may be given, just as we have from the beginning of the war when exceptional powers were first given to us. We are not going to exercise all these powers—put into effect the provisions in their entirety—within the next twenty-four hours. We need enabling legislation—for that is what it is—to enable the government to meet each situation as it arises in the most effective way it can possibly be met. The need to-morrow may be for one thing in one place; the need the day after may be for something else in another place. We do not know how the situation will develop in the next little while, but we want to be in a position to take the most effective action in the shortest possible time.

Under the defence of Canada regulations, what was the criticism that was made against us by hon. gentlemen who this evening have been again expressing their doubts about us? Their criticism was along the line that we had gone too far in our defence of Canada regulations. To-day, from one end of the country to the other, if there is any criticism at all, it is that those regulations do not go far enough. We have proceeded step by step, adopting the courses which we felt were necessary, and seeking to avoid a step which would make the last condition worse than the condition we were trying to remedy.

Here I come to the wisdom of exercising judgment in the matter of the time within which some measures are to be put into effect. My hon. friend the leader of the opposition (Mr. Hanson) remarked this afternoon that perhaps we were a little late in the time we were introducing a system of registration now required to enable us to carry out more effectively some of the measures mentioned to-day. May I remind my hon. friend—I do not do this except to illustrate my point—that it was three years before the government which was in office at the time of the last war introduced registration. It took the administration of that day all of three years to arrive at the time when they believed that they might with wisdom take that particular step.

Mr. HANSON (York-Sunbury): That does not prove anything with relation to the present government's effort.

Mr. ROWE: At that time there were already 400,000 men "over there".

Mr. MACKENZIE KING: My hon. friend will find, when three years have gone by, that the number of men in this country's active service will not be surpassed by anything done in the last war.

Mr. MacNICOL: Overseas, or here?

Mr. MACKENZIE KING: Please allow me to go on for a moment. I hope that I have not introduced a note which will be controversial. I was simply illustrating the point that another administration in previous years had to wrestle with exactly the same kind of problems with which we have to deal, namely, the best or the right time at which to do certain things. The debate we have had in this house this afternoon and evening is sufficient to illustrate that, if a measure making provision for registration had been introduced before to-day, it would most certainly have been regarded or construed as a measure intended for the conscription of men for service overseas. We would then have had a division of feeling in this country the like of which fortunately we have not had for many years. As I said the other day, we considered this matter in the past; we here consider it in the present, and we would continue to consider it. When the situation became what it has now become, when France had been defeated by Germany, and the whole picture had changed, when it was only too apparent that we were in another phase of the war, where measures of a different character would be immediately required, we felt we could rely upon the understanding of the

people of this country as to why a system of registration should be introduced at this particular time. I venture to say that, having waited until this moment, instead of having created dissension, confusion, unrest, and what not, we shall find that in the way of opposition, the adoption of a system of registration will now meet with general acceptance from all parts of Canada.

Another point raised by some hon. members was expressed by the hon. member for Weyburn (Mr. Douglas), in the following words: "We support what the bill purports to stand for, but we would like to know if it will be used for what it purports to be?" Well, I must say that that is a singularly odd question to ask at this particular moment. If my hon. friends support what the bill purports to stand for and will vote in that way, they will be doing what will be expected of them as members of parliament. What is the sense of introducing any legislation in this parliament if what appears in black and white and in type as a statute of Canada does not mean that the government intends to give effect to what appears in the statute? I tell my hon. friend that so far as the government is concerned, we have put in this bill what we think is necessary, and we intend to administer it in accordance with what we think is necessary. It must be apparent that the bill will be carried out in accordance with the purport of its provisions; that has surely been evidenced by the practice of the government in carrying out its war measures up to the present time.

Then some hon. gentlemen speak about human and material resources and they wish to know whether "material" covers "financial." Well, in what category would you put finance unless you put it among material things? It is not spiritual, nor is it human. It is material, and probably if my hon. friends were expressing their minds to the full they would say it is the most material of all things. Surely finance is covered by material, and the reason why these two words are used—material and human—is that so far as possible they cover all aspects of life, life itself and the means of sustenance of life. 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. Mackenzie King.]

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. But I do not know that you will in any way help to preserve the human if by one stroke of the pen you wipe out the whole of the material. Some of my hon. friends say, "Will you wipe out all the banks and take all the credit, the little savings of people which they have put in the banks? Will you wipe out everything?"

Some hon. MEMBERS: No, no.

Mr. MACKENZIE KING: They say they are not asking that, but they are insinuating that that is what we ought to do before we do anything else. All I ask is that hon. members take this bill at its face value. It seeks to give the government enabling powers to deal with human and material resources according to its best judgment, and according to its best judgment the government is prepared to deal with these resources.

This specific question is also asked: Are you going to take 100 per cent of excess profits in the manufacturing of war munitions? Let me read a statement which I made in this house at the beginning of the war with reference to excess profit. Before I quote that statement, however, I should like to make this observation. When Mr. Attlee spoke in the British House of Commons the budget had already been brought down, and the country knew from the budget what was being proposed with respect to excess profits as they stood at that time. His statement was in the nature of a supplementary announcement to the country with respect to excess profits and occasioned for reasons which I think are now pretty generally known throughout the English-speaking world.

My colleague the Minister of Finance is bringing down his budget on Friday of this

week. I doubt if I would be justified in saying at this moment anything with respect to what is certain to be one of the features of the budget he will introduce. May I say this, however—and I apply it not to that particular matter but to everything in the nature of what is proposed under this measure. Everything that is done by this government under the enabling powers given it here, or anything that is left undone, will, while parliament is in session, be subject to the review of this parliament from day to day. If we do not go far enough, hon. members will have plenty of opportunity to tell us how much further we should go; if we go too far, they will have equal opportunity. It must be kept in mind that we shall be administering this legislation not as a body of dictators, free from any kind of control, but as a responsible government, responsible to the House of Commons and, through the House of Commons, to the people. If we bear this all important fact in mind, then I think it will be found that there is ample security as to the way in which the government may exercise the powers given it under the legislation.

With reference to the statement on excess profits I made last year, I see that it was made, not after the war commenced, but some time before. It was when the government was making it clear that the shadow of war was at the time overhanging the world and seeking to indicate how it would meet the situation if war came. I used the following words on March 30, 1939, more than five months before the outbreak of war. I was outlining the policy which would be followed in the event of hostilities arising:

> Planning and coordination would be essential, but the necessary coordination could be made, and if this government were in power it would be made, without sacrificing those vital ends and conditions of our existence. Profits could and would be rigidly controlled, and profiteering suppressed. Men's lives and men's wills cannot be put on the same basis as goods and profits.

The government stands by that declaration to-day. The fact that that is our policy is one of the reasons why this measure has been introduced. One of its purposes is to ensure that there will, as far as possible, be equality of sacrifice in Canada's effort in prosecuting this war.

Mr. Attlee in the British House of Commons made this statement:

> It is necessary that the government should be given complete control over persons and property, not just some persons of some particular class of the community, but of all persons, rich and poor, employer and workman, man or woman, and all property. It is these powers for which I am asking the house this afternoon.

May I say that these are the identical powers which to-day, in the name of the government, I am asking from this house. It is not powers to be exercised against the poor man to the exclusion of others. That sort of argument is hardly worthy of the hon. member who uttered it, and I say that sincerely. At a time like this anyone who tries to raise in the country divisions between class and class, rich and poor, employer and employee, deserves censure, and I say most sincerely that my hon. friend did not do himself justice in that remark. Let us not think that there is still a general election on and that we are trying to win our seats by all kinds of oratory. Let us remember that this country and the world to-day are faced with a calamity such as mankind has never known in the whole of its history.

Another question has been asked—what about the relations between employer and employee? We are told that we are to make a condition first or the bill will not receive support in certain quarters. The hon. member for Rosetown-Biggar (Mr. Coldwell) said that it would be a condition of his support of this legislation that the government give an undertaking that labour's rights would be protected from now on. Now is my friend going to make conditions before he supports this measure? If he is, I am prepared to give him that opportunity by stopping my speech right away, in order that we may see where he really stands in relation to the purpose intended to be served by the bill. But I do not believe that in his heart he intends to make any condition. I believe he and his group intend to support this measure to a man.

Having said that, I shall now answer his question about labour and employers—not meeting a condition, but stating what I think he already knows. On Thursday last, following a previous meeting which the government had with employers, and at which there was a very free and frank discussion, some of my colleagues and myself had a meeting with a representative gathering of officers of labour organizations in Canada. The chairman of that group was Mr. Tom Moore, president of the Dominion Trades and Labour Congress, who I think enjoys second to none the confidence of labour in this country. During the course of that conference there was a very free and frank discussion as to the conditions that should exist between employer and employee during the period of this war. An undertaking was given at that time by myself that these conditions would not merely be put in the form of a declaration by the government made to a representative group of labour organizations, but be drafted in a

form which would find its expression in an order in council of the government, and that that order in council would be published in the *Canada Gazette* and would be laid on the table of parliament. In order that an arrangement satisfactory to labour in that particular might be worked out, not by the government alone but in conference with labour, I asked my colleague the Minister of Labour (Mr. McLarty) if he would, as he had been doing in the past, meet not merely a few labour advisers but that particular group of gentlemen or those of their number whom they wished to have represent them, and work out together what would be from their point of view a satisfactory basis for the relations that should exist between capital and labour, employer and employee, during the period of the war.

As I said, we had had before us representations of the employers; we were now having the representations of labour, and we had also before us what was done by the previous government during the period of the last war. As a result of the conferences held, and the government's previous consideration of the subject, a declaration of the principles that should govern employers and employed, regulations that should be put into effect were prepared and framed in the form of an order in council. That order was brought to the cabinet by my colleague the Minister of Labour as soon after the conference between these gentlemen and himself as was possible. Had it been possible for me to be present for any length of time at the cabinet meeting yesterday, the order would have gone through then. Had it been possible for me to give any substantial time to-day to the proceedings of the cabinet, that order would have gone through to-day. I hope it is going to be possible for me to have time to attend a meeting of the cabinet to-morrow; if it is, that order will go through to-morrow. It will set out conditions that should govern between employer and employee, conditions which I believe will be regarded as fair and which will I believe meet with the full acceptance of those concerned in the relations of industry. I hope that answers what my hon. friend may have had in mind on that subject.

There is one other matter, the only one to which I shall refer in conclusion. It is the question asked as to the exemption of certain religious groups in the matter of military service. I wish solemnly to assure the house and the country that the government have no desire and no intention to disturb the existing rights of exemption from the bearing of arms which are enjoyed by the members of certain religious groups in Canada, as for example the Mennonites. We are determined to respect these rights to the full. My hon. friend said he believed that the government would certainly have considered that aspect, and we certainly have.

Now I must thank hon. members for allowing me to take up this additional time. May I say this further word in conclusion: it is not possible at such a time as the present, or indeed at any time for the government to do everything that everybody wants the government to do. We have a very heavy obligation to meet, and a part of that obligation is to see that whatever we do is done in the light of what appears to be wisest and best at the time. We shall be held responsible if we are too precipitate in our action, just as we have been held responsible by some who have thought that we have not been precipitate enough. When the story of this war is written, or rather when the communications and documents are produced which have passed between the different governments, and the full record of Canada's part in the war up to the present is known, I think there will not be a man in Canada but will be proud of that record and the manner in which these very serious matters have been carried on by the present administration. However, that relates to the past. To-day we stand at a place different from any at which we have stood thus far, in relation to the world situation. To-day we, along with the United Kingdom and other British countries, are on a front line, facing an enemy which has shown his power to dominate an entire continent, and whose forces are supplemented now by another enemy that is seeking to dominate another continent nearby. Let us keep as united as we can in our thoughts, in our words and in our deeds.

Mr. SPEAKER: It is rather late—

Some hon. MEMBERS: Carry on.

Mr. SPEAKER: I was just going to ask whether it is the wish of the house that the present sitting be continued now.

Some hon. MEMBERS: Yes.

Hon. R. B. HANSON (Leader of the Opposition): I have no objection at all to the bill obtaining second reading to-night, but I certainly shall object to the house going into committee at this late hour and on to third reading to-night. I had no idea that this debate would extend to the length that it has. I would not have objected if there had been any possibility that the bill might be enacted into law at this sitting, as the Prime Minister expressed the hope that it would when he introduced it.

There is a further reason for my position. Unfortunately I am not familiar with the

French language. That is my misfortune. I understand that two very important speeches were made here to-day, one by the Minister of Justice (Mr. Lapointe) and one by the very eloquent Minister of Public Works (Mr. Cardin). These speeches were made in French. I desire to read these speeches before this bill passes this chamber.

Mr. MACKENZIE KING: May I say that I think my hon. friend the leader of the opposition is quite right in the position he takes. Indeed he was courteous enough to mention to me earlier in the evening that it had been a pretty heavy day and he thought that we should not seek to press this bill through all its stages to-night. I feel with him that if we can have an understanding that we shall go on with its consideration immediately to-morrow, and that its passage may then be expedited, we should not seek to press the matter any further to-night.

May I make this clear, the one and only reason why the government desired to press this measure through in one day if possible is, as I have said, the sense of responsibility we have as to the use we may have to make of the powers thereby given. There is, however, one other consideration, and it is equally important, that is the situation as it will appear in other parts of the world. The action of this parliament in dealing with this measure quickly would make an impression on the hearts of the people of the United Kingdom and also make an impression in other parts of the world much deeper and more effective than anything else in connection with the measure possibly could.

Perhaps the discussion to-day has been sufficiently comprehensive to enable us to proceed with rapidity to-morrow. If we can do that, I believe it will serve to meet in large measure both the situations to which I have referred. The second reading of course will be taken now.

Mr. HANSON (York-Sunbury): I should like to make one other observation which I had intended to make when I was on my feet. The house will realize that as far as this party is concerned there has been absolutely no delay in the passage of this bill.

Mr. MACKENZIE KING: That is right.

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

On section 1—Short title.

Progress reported.

On motion of Mr. Mackenzie King the house adjourned at 11.35 p.m.

Wednesday, June 19, 1940

The house met at three o'clock.

REPORTS OF COMMITTEES

SPECIAL COMMITTEE ON DEFENCE OF CANADA REGULATIONS—CONCURRENCE IN FIRST REPORT

Hon. J. L. ILSLEY (Minister of National Revenue) presented the first report of the special committee on the defence of Canada regulations, and moved that the report be concurred in.

Hon. R. B. HANSON (Leader of the Opposition): I rise not for the purpose of opposing the motion, but to ask the minister a question: Did the committee consider the question of what witnesses would be called, and by what method? And would the minister and the committee be good enough to consider suggestions from me as to one or two witnesses whom I should like to have called? Frankly I have in mind the young man to whom I referred when discussing the defence of Canada regulations the other day. He might be of some service to the committee.

Mr. ILSLEY: Consideration was given to the matter of what witnesses should be called, and a subcommittee was appointed to take that matter into consideration. That subcommittee will meet to-morrow. If the hon. leader of the opposition would let me have the name of the gentleman to whom he refers, it will be placed before the subcommittee.

Motion agreed to.

STANDING ORDERS—CONCURRENCE IN FIRST REPORT

Mr. W. H. GOLDING (Huron-Perth) presented the first report of the standing committee on standing orders, and moved the report be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NIAGARA RIVER POWER—NEGOTIATIONS WITH UNITED STATES GOVERNMENT

Mr. CHURCH:

1. Are any negotiations pending or being renewed with the United States government for the further development and generation of additional power from the Niagara river of 10,000 horse-power or more to be allotted to each country to meet increased power demands?

2. Will a copy of any additional papers be tabled relating to this and the preservation of the scenic beauty of Niagara falls, since the last return was made to an order of this house herein.

Mr. MACKENZIE KING:

1. Discussions are continuing with the United States regarding all aspects of the St. Lawrence and great lakes development, including the question of additional power from the Niagara river.

2. Additional papers will be tabled at the conclusion of the negotiations.

OIL PRODUCTION IN CANADA—PIPE LINE CONSTRUCTION FROM ALBERTA FIELDS

Mr. JOHNSTON (Bow River):

1. What steps are being taken by the government to increase the production of oil in Alberta and other parts of Canada?

2. Is anything being done by this government to construct a pipe line from Alberta to the Pacific coast or the head of the great lakes?

3. 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?

Mr. CRERAR:

1. Production of oil can be increased only by drilling and by finding new oil fields or extensions of old oil fields. The finding of new fields and the extension of old fields is in 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.

2. 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.

3. The increase of effort this year has been made in Alberta and bordering parts of Saskatchewan where the geological and topographical field parties have been increased from 6 to 17.

WAR EQUIPMENT PURCHASES FROM MOTOR CAR COMPANIES

Mr. FAIR:

What is the value of war equipment purchased from (a) Ford Motor Company; (b) General Motors Corporation; (c) Chrysler Corporation, between September 20, 1939, and April 10, 1940?

Mr. HOWE: (a) Ford Motor Company of Canada, Ltd., Windsor, Ontario, $765,562.65; (b) General Motors Products of Canada, Ltd., Oshawa, Ontario, $272,572.92; General Motor Sales Corporation, Cleveland, Ohio, U.S.A., $766.52; (c) Chrysler Corporation of Canada, Ltd., Windsor, Ontario, $41,045.41. Total, $1,079,947.50.

[Mr. Church.]

NATIONAL FUEL SUPPLY—RECOMMENDATIONS OF TORY COMMISSION

Mr. CHURCH:

1. What recommendations were made by the Tory commission on national fuel supply?

2. What was the cost of it?

3. Have any recommendations been carried out, and, if so, by whom?

4. Did the report recommend a national fuel policy as this house recommended in 1923?

5. Did the report deal with importations of Russian and German coal?

6. What is being done to guard Canada against a fuel famine during next winter?

Mr. MacKINNON (Edmonton West):

1. The commission recommended as follows:

"1. At the present moment in so far as the fixing of export prices of anthracite in the countries of origin permit, there is freedom in competition in the importation of anthracite coal. Your commission recommends that every effort should be made to maintain that position. Some of the competition comes from new sources of supply and through new exporting agencies, the permanence of which have not yet been demonstrated. In seeking to maintain a wholesome competitive market it should be recognized in so far as Canada's needs are concerned anthracite with a low ash fusion point is in a special position, and that in this field neither Scotch nor United States anthracite is competitive. Unless greater freedom of purchase of this particular type of coal from Wales is made available to importers other than the Webster group, it is very important that the channels of trade with other countries producing low ash fusion point anthracite should be kept open. It is of equal importance that importations should come directly from the country of origin and not as in the past through agencies already controlling competitive supplies in another country.

"2. To this end the continued enforcement of the Combines Investigation Act is recommended. Your commission believes that under the existing conditions of production and trade the surest way to protect the consumer is to maintain open competition.

"3. It is recommended that encouragement should be given to every effort to establish cooperative organizations now recognized in many countries. Without question great advantages would accrue to the less favoured class of citizen in Montreal if a scheme along the lines suggested by Alderman Biggar of Montreal was put into operation. In this connection attention is called to the fact that there are joint stock companies using the name 'cooperative' which are not in any sense

cooperative institutions and, in the opinion of your commission, they should not be permitted to use the name.

"4. It is recommended that the work done under the Combines Investigation Act in maintaining competition and preventing price fixing be supplemented by a more vigorous use on the part of the municipalities of their power to eliminate frauds and other abuses. The licensing of dealers, the prevention of short-weighting, the suppressing of fraudulent advertising, the requirement of an adequate and correct description of the coal on delivery slips, are within their authority. This authority vigorously exercised on the lines suggested above would go a long way toward removing many of the consumer's complaints.

"5. It is recommended that all anthracite coal entering Canada be classified as follows:

(a) That anthracite coal should be sold in Canada under its own name, i.e., Welsh anthracite should be sold as Welsh, American as American, German as German, Russian as Russian, etc.;

(b) That if any of these coals are mixed, the mixture should be sold in Canada as mixed coal under the name of the mixture, viz., Welsh and German, Welsh and Russian, etc.;

(c) That the fuel ratio of coals classified as anthracite for customs purposes based on their condition as received at the ports of entry, as distinct from those semi-anthracites referred to in (d) below, also other coals including those mixed with non-anthracite, for sale in Canada, shall not be less than 8·0 and shall not possess caking quality;

(d) That all other coals, heretofore graded as anthracite or semi-anthracite, having a ratio of fixed carbon to volatile of not less than 6 and without caking quality, shall be classed as semi-anthracite coal and so sold on the Canadian market;

(e) That Welsh anthracite be sold in Canada as grade A or grade B, the former complying with the above specifications but being the coal known in Wales as Big Vein anthracite, the latter also complying with the above specifications but being the coal known in Wales as Red Vein anthracite, and that if these two coals are sold in Canada as a mixture the proportion of each should be stated;

(Note: The distinction involved in this classification is not difficult as it can be determined by the coal being invoiced by the mine in Wales from which it comes. It is a classification known to every importer of Welsh coal. The difference between the Red Vein and the Big Vein is not so much a matter of the content in B.T.U.'s, as of the physical quality of the coal, the Red Vein being much more friable and hence subject to greater degradation.)

(f) That in all sales slips and invoices and in all advertisements the coal be described in accordance with the specifications suggested above.

"6. It is recommended that continuous and systematic analyses of anthracites entering Canada be made. Your commission was surprised to find so little information available as to the quality of imported anthracite. The right to sample and analyse for public use should be given to persons responsible for the work of classification suggested above. The costs of such systematic analyses of imported anthracite coal and of the work of classification should be covered by a special levy of 2 cents a ton on all imported anthracite."

2. $23,878.64.

3. Recommendation 1, carried out. Recommendation 2, carried out. Recommendations 3 and 4, for provincial and municipal authorities. Recommendation 5, not carried out. Recommendation 6, not carried out.

4. No.

5. Yes.

6. A coal administrator has been appointed under the wartime prices and trade board.

As a war measure the licensing of all producers, dealers, and distributors of coal and coke has been carried out by the coal administrator.

Direct representations and meetings have been arranged with importers and distributors of British coal in order to determine what quantities may be available for the Canadian market.

Similar arrangements were carried out with American producers and distributors of American coals. Assurance has been received that ample supplies are and will be available. Steps have also been taken to augment the supply of British blowercoal by the use of special quality of U.S. and Canadian coals and coke.

Every endeavour is being made to increase the supply of a suitably prepared quality of Alberta coal for domestic consumption in Ontario.

Householders have been advised through the press and other channels to obtain their fuel supplies at as early a date as possible. By so doing they will ease the burden imposed on transportation facilities due to the exigencies of war.

It is not anticipated that there will be any shortage of coal.

QUEENS-LUNENBURG DREDGING CONTRACTS

Mr. BLACK (Cumberland):

1. Has the government employed the dredging outfit in which Merril D. Rawding is interested on work in Queens-Lunenburg since 1935?

2. If so, at what places was said outfit used, and was the work done after tenders were called and contracts let or on unit costs basis?

3. How much was paid at each such place in each fiscal year since 1935, what were the contract prices or unit prices, and total payment for each job?

4. Has the above outfit been authorized to do any work in 1940, and, if so, what are the particulars of locations, quantities and prices?

Mr. CARDIN:

1. Yes.
2. (a) Port Medway.
   (b) Cahoon's island.
   (c) Coffin's island.
   (d) East Port Medway.
   (e) Liverpool.
   (f) Getson's cove.
   (g) La Have ferry dock.
   (h) Parks creek, La Have.
   (i) Liverpool.
   (j) Northwest bay, Port Medway.
   Work at above places done on unit cost basis.
   (k) Moose harbour (dredging plant rented for this work).

3. Fiscal year	Unit price	Amount paid
(a) 1937-38	60 cents per cubic yard, place measurement	$ 900 00
(a) 1938-39	" " " " " "	863 02
(b) 1938-39	46 " " " " "	4,467 01
(c) " "	42 " " " scow measurement	2,455 16
(d) " "	50 " " " " "	1,081 20
(e) " "	54 " " " " "	4,329 13
(f) 1939-40	50 " " " " "	2,646 15
(g) " "	50 " " " " "	365 15
	and $5 for class "A" rock	
(h) " "	50 cents per cubic yard scow measurement	282 59
(i) " "	54 " " " " "	1,911 12
(j) " "	50 " " " " "	3,824 57
(k) " "	$3.13 per hour (rental of plant)	1,946 30

4. No.

SAINT JOHN DRY DOCK COMPANY

Mr. HARRIS (Danforth):

1. Was a contract awarded the Saint John Drydock Company, or a subsidiary of this company for fortifications or works of a similar nature on Partridge island, Saint John, New Brunswick, this year?

2. If so, what was the contract price?

3. Was such contract awarded after public tenders had been called for?

4. If not, were any firms asked to tender, and, if so, what were the names of these firms, and what were their respective tenders?

5. If such a contract was awarded to the Saint John Drydock Company or a subsidiary of this company, did this company sub-let this contract or any part of it? If so, what was the name of the contractor and, if only part of the contract was sub-let, how much of it was sub-let?

Mr. HARRIS (Danforth): I suggest that in the national interest this question be dropped.

Question dropped.

MUNITIONS AND SUPPLY—WAR SUPPLY BOARD—MEMBERSHIP

Mr. DOUGLAS (Weyburn):

1. Who were the members of the War Supply Board, what was their previous business connection, and what remuneration did they receive in the form of (a) salary, (b) expenses?

2. Which of the above named are associated with the Department of Munitions and Supply, and in what capacity?

Mr. HOWE:

1. (a) and (b).

Name	Previous Business Connection	Salary	Expenses
Wallace R. Campbell	President, Ford Motor Company of Canada, Limited	None	$4,041 09
Robert C. Vaughan	Vice-President, Canadian National Railways	None	1,743 40
C. E. Gravel	Financier, Montreal	None	991 80
W. C. Woodward	President, Woodward Stores, Vancouver, B.C.	None	None
W. A. Harrison	Estabrooks Ltd., Saint John, N.B.	None	1,037 13

2. W. C. Woodward, Chairman, Executive Committee, Departmentt of Munitions and Supply.

W. A. Harrison, Member of Executive Committee, Department of Munitions and Supply.

FORT WILLIAM, ONT., MUNICIPAL AIRPORT

Mr. ROSS (St. Paul's):

1. Has the government taken over the municipal airport in Fort William?
2. If so, what rent or other consideration is being paid therefor, and to whom is it being paid?
3. For what purpose is the airport to be used?
4. Have any private citizens any control over training facilities at this airport?
5. If so, what are the names of such persons, and what is the nature and extent of their interest and control?

Mr. HOWE:

1. Yes.
2. $1 per annum, payable to the city of Fort William.
3. For air training under supervision of R.C.A.F.
4. Aerodrome is operated by the Thunder Bay Air Training School, Limited.
5. Thunder Bay Air Training School, Limited, is responsible for the management, instruction and maintenance of No. 2 elementary air training flying school.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ISLAND PARK. N.B., EXHIBITION BUILDINGS

Mr. HATFIELD:

1. Were the exhibition buildings at Island park, New Brunswick, taken over by the Department of National Defence, and, if so, when?
2. How many steam boilers, for heating purposes, were installed in the said buildings during the winter months, or say from October 1, 1939, to January 31, 1940?
3. How were the said buildings heated during the months of December, 1939, January, February and March, 1940?
4. What firm, or firms, supplied the fuel used during the above-mentioned months, and what quantity of fuel was used each month?
5. What use was made of said buildings during the winter months?

Mr. POWER: Return tabled.

WATERWAY AND RAILWAY EXPENDITURES

Mr. NICHOLSON:

1. How much was spent by the dominion government for dredging the St. Lawrence river and Montreal harbour, and for operating and administering the St. Lawrence ship channel during the years from 1935 to 1939?
2. How much was spent during the years 1935 to 1939 under the Maritime Freight Rates Act to compensate railways for the difference between the tariff tolls and normal tolls on all traffic moved during the above-mentioned years?
3. How much was spent during the years 1935 to 1939 to provide for construction and improvements in connection with the Hudson bay railway, and to provide for losses in connection with the operation of the railway during the above years?
4. How much money was advanced by the dominion government during the years 1935 to 1939 for the following: (a) Montreal harbour; (b) Churchill harbour; (c) Vancouver harbour; (d) Halifax harbour?

PURCHASES OF MILK AND MILK PRODUCTS

Mr. TUSTIN:

1. What contracts, if any, for the supply of milk or milk products to any department of the government, and including the forces on active service, are held by H. S. Arkell, and/or Highclere Dairy?
2. What is the amount of milk or milk products required to be supplied under each such contract?
3. What is the contract price in each case?

MOTIONS FOR PAPERS

WALLACE R. CAMPBELL

Mr. BRUCE:

For a copy of all correspondence between any member of the government and Mr. Wallace R. Campbell, recently chairman of the war supply board, since functioning as chairman.

ROCKFORD, SASK., MAIL SERVICE

Mr. NICHOLSON:

For a copy of all letters, telegrams, petitions, recommendations and other documents in the possession of the Post Office Department, dated from April 1 to June 15, 1940, relative to, (a) change of mail carrier between Endeavour and Rockford, Saskatchewan, and (b) change of postmaster and post office at Rockford, Saskatchewan.

BRITISH CHILDREN

EXTENDING OF HOSPITALITY OF CANADA FOR DURATION OF WAR

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I desire to ask a question or two of the Prime Minister (Mr. Mackenzie King) with respect to the evacuation of British children. On May 27 the hon. member for Parkdale (Mr. Bruce) asked the Prime Minister if it was the intention of the Canadian government to offer immediately the hospitality of Canada to evacuated British children. The Prime Minister replied to the effect that the answer concerns itself in the main with transportation.

As England has control of shipping, this will present no difficulty to this government. In a Canadian Press dispatch it is stated that thousands of British mothers anxiously await

the statement of Geoffrey Shakespeare, parliamentary under-secretary of state for dominion affairs, regarding the evacuation of children to Canada and other dominions. Mr. Shakespeare stated that the plan, on a huge scale, would be rushed into operation as soon as the dominions' agreements are obtained. Has the Prime Minister offered Canadian hospitality for these children? Surely we could immediately absorb a very large number.

Then I should like to say a word with respect to a more detailed matter. I had been informed that immigration officials in London will not issue a permit to allow children to come to Canada unless they have received an invitation from a responsible Canadian who will give them a home. In my opinion this would virtually amount to a prohibition of the issue of permits unless there is assurance that these British children will not become a public charge. I had intended to ask what was the position in regard to this matter; I had been in communication with Doctor Skelton and also with Mr. Blair of the Department of Immigration. I am glad to say that in some degree at least Mr. Blair has removed my anxiety by sending me a letter which I received just after I had drafted this interrogatory and just before I came into the house. I think this letter may be of great interest to those concerned in this matter, and I would crave the privilege of reading it into the record so that those interested may be informed as to the present attitude with regard to individual cases.

The letter is dated June 19, 1940, and reads as follows:

> In reply to your telephone inquiry of date about the admission of British people who want to find homes here during the war, I may say that every encouragement that we can offer is being given to people of this sort. We have had many inquiries from residents of Canada who can offer homes to relatives or friends from overseas and these are all being advised that relatives or friends may come freely and without any delay or "red tape", when they can pay their own passage and are joining relatives or friends here or are coming with sufficient funds to look after themselves.
>
> Our London office has been advised to facilitate this movement in every way possible. We do not ask for any bonds or other guarantee from residents of Canada nor do we waste time in unnecessary investigations as that might prevent people getting out while sailing is possible.
>
> Yours very truly,
>
> F. C. Blair,
> Director.

Therefore I would really confine myself to the first question with regard to the general scheme, and I should like to take this opportunity to express my appreciation of the position of the immigration officials and of the government in respect to this matter of individual children or persons desiring to come to Canada for the duration of the war, to escape what may be bloody slaughter over there.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I must confess that I am at a loss to know whether my hon. friend asked me a question or was making a speech of his own.

Mr. HANSON (York-Sunbury): I would not take it that way, if I were you. I did ask a very serious question.

Mr. MACKENZIE KING: I am quite sincere in what I say. As I listened to my hon. friend's first question it seemed to me at the outset he was questioning my veracity with respect to the answer I made some time ago as to the welcome Canada was prepared to extend to evacuated children from Britain. Subsequently my hon. friend went on to read something from an official of the government which evidently verified what I had said. My first thought was to reply to my hon. friend by saying that I was very glad he had been able to receive a statement from an official of the government which had confirmed in his mind what had been said by the Prime Minister. That is what I should like to say now. Apart from that I must confess that I do not understand the purpose of reading the statements made in the form he did.

Mr. HARRIS (Danforth): Quite true; the Prime Minister gave the word but he gave no details.

Mr. MACKENZIE KING: I gave the word and I had hoped and expected that my word would have been accepted. I said there would be difficulties with respect to transportation. My hon. friend has just said the British government handles transportation, and therefore there are no difficulties.

Mr. HANSON (York-Sunbury): In that regard.

Mr. MACKENZIE KING: Then may I say to my hon. friend that one of the greatest difficulties this government has had in respect to many matters overseas has been in regard to getting shipping facilities; and I was quite thoroughly informed on that matter when I answered my hon. friend. However, I wish to thank him for his words of appreciation to the government on our readiness to accept children. We have always been ready to accept them, but all these matters have to be taken up as the opportunity arises. If there is any doubt in the mind of the hon. member

who is whispering with his neighbour in regard to this matter—because I think it is from him that these questions come—I would say that everything I have said in this house with respect to the readiness, willingness and anxiety of this government to receive evacuated children from the old country is perfectly true. There has been no hesitation with respect to our readiness to handle the matter to the fullest extent possible.

Mr. HANSON (York-Sunbury): At the risk of delaying the house I must say that in the parlance of the street I am afraid we have our wires crossed. I had no intention of provoking anything of a recriminatory nature this afternoon. However, some of us do feel very keenly about this matter. What I really wanted to ask the Prime Minister was if there had been a general offer of Canadian hospitality for these children.

Mr. MACKENZIE KING: The answer is yes.

Mr. HANSON (York-Sunbury): Very well, then; that is the answer.

Hon. T. A. CRERAR (Minister of Mines and Resources): Perhaps I may supplement what the Prime Minister (Mr. Mackenzie King) has said by saying that an offer has been made to receive children between the ages of five and sixteen years, and in some cases children of less than five years of age. I may add that we have been informed that no children will be sent to Canada except with the permission of the parents or guardians, and that is the position to-day. There is perfect freedom of movement for any others who wish to come; and for the information of the house I may say that there are either on the way, or shortly will be on the way, quite a substantial number of boys from a school, who are coming to Canada to resume their education. It takes a little time to work out all the problems associated with these matters; but when the record is placed before this country I have not the slightest doubt that the Canadian people will approve what the government has done in the matter.

Mr. MACKENZIE KING: Now that this subject of evacuated children has come up, and with it the related question of transportation facilities, I think I had better give to the house a few facts which have not been given thus far, and which may help to explain the government's position, on what might be considered as delays in arranging for and announcing the numbers of evacuated children to be taken.

It is quite true that the British government made representations with regard to our accepting evacuated children. They also made very strong representations to us about their desire to have us accept interned aliens and German war prisoners. There has been considerable communication back and forth in the matter with the British government, and—

Mr. HOMUTH: Let them keep them there.

Mr. MACKENZIE KING: Does my hon. friend wish us to cooperate with the British government, or does he wish us to go contrary to their wishes?

An hon. MEMBER: Go ahead.

Mr. BROOKS: It is not what he wishes; it is what the government wishes.

Mr. MACKENZIE KING: Does he not wish us to do what the British government wishes to have done?

Mr. BROOKS: What our government would wish.

Mr. MACKENZIE KING: Does he wish us to cooperate with the British government?

Mr. HOMUTH: Is the Prime Minister asking me the question?

Mr. MACKENZIE KING: Yes.

Mr. HOMUTH: I certainly do, and I wish this government had cooperated with the British government in the last eight months.

Mr. MACKENZIE KING: So far as the record of cooperation in the last eight months is concerned, I know we have been cooperating to the utmost of our ability, and I am certain the British government would be only too prepared to say the same. I am glad the hon. member in particular agrees that in this matter we should seek to meet the wishes of the British government.

The wishes of the British government are these: In the matter of preference they are anxious that we should take first of all interned aliens, secondly, that we should take German prisoners in Britain, and thirdly that we should then consider the matter of evacuated children. The reasons they give in this connection are that the interned aliens in Great Britain may be in a position to help to direct parachutists in the event of a bombardment of the British Isles, which they are expecting hourly. They also feel that the German prisoners they have there require a great deal by way of protection, and that the men protecting them should be available for the protection of the British Isles themselves. There is great congestion, because of the numbers of refugees which have been coming there,

and they feel that it would be in the interest of safety and security in every way to have alien internees and German prisoners brought to this country, and placed in different parts of the country under protective measures here.

We have realized how the matter would likely be viewed. We have been conscious of the fact that regardless of what we did there would be some exception taken. The course we have had in view, and which we believe expresses that of the country generally, is that which has been expressed by the hon. member who has just spoken, namely that it would be desirable that we should at this particularly critical time seek to our utmost to meet the wishes of the British government in this as in other matters. We have agreed to receive here interned aliens from the United Kingdom, also German prisoners from the United Kingdom, and for some time past we have been making arrangements to see that they will be properly concentrated and controlled, when they are brought to Canada.

If there has been any delay, may I say that that delay is due to the circumstances which I have mentioned. But there has not been any delay. I must say that there has been no delay particularly in regard to this matter of receiving evacuated children. With regard to this matter, and others of the kind, I say that if a minister of the crown is asked a question and makes a definite reply, hon. members are expected to accept that reply in good faith, and not to be continually calling it in question.

I could not disclose the facts I have mentioned some time ago, and I did not wish to disclose them at the present time. But I do not purpose to permit the government to be put into a false position by any failure to place the whole reasons before the House of Commons. Those who ask questions must become responsible for the consequences of questions they have asked.

Mr. HANSON (York-Sunbury): May I just say a word with respect to the last remarks of the Prime Minister. If any questions are asked from this side of the house which in the public interest should not now be answered, all my right hon. friend has to do is to intimate that to me and it will be taken care of. I want to give him an illustration. Some time ago the hon. member for Danforth (Mr. Harris) asked a question about a contract at Saint John. An answer was given which clearly indicated that apparently the department was mistaken in what it believed to be the object of the question. A subsequent question was put on the order paper. Officials in the responsible department communicated with my hon. friend with respect to that question stating that it was not in the public interest that it be answered. Immediately we decided to drop it, and it was dropped to-day. That is the kind of cooperation I should like to give to the Prime Minister, and I hope he will not go round with, shall I say, a chip on his shoulder, looking for trouble. Apparently we have started out in the wrong atmosphere to-day—quite different from yesterday. If I have been the cause of this change of atmosphere, then I will apologize; but I am not conscious of having made any error.

Mr. MACKENZIE KING: My hon. friend knows me well enough to know that I am the last person in the world who is likely to have a chip on his shoulder. But I am to a certain degree sensitive in matters which affect my honour, and when questions are asked in a manner meant to reflect upon replies which have been made by myself I probably cannot restrain a word with regard to them, more particularly when I happen to know a good deal about where some of those questions are coming from, and why they are being asked.

With regard to what my hon. friend has just said about being prepared to withdraw questions, if on his part, before asking a question publicly in the house which he has reason to know is likely to be embarrassing, he would be kind enough to show it to me and ask me if there is anything embarrassing in it, I should feel that that would be cooperating, too.

Mr. HANSON (York-Sunbury): I would not like to go that far. But I would be prepared to cooperate with my right hon. friend.

Mr. MACKENZIE KING: Very well then. We will cooperate, and I shall go on giving my cooperation.

Mr. HANSON (York-Sunbury): Let us drop it.

Hon. H. A. BRUCE (Parkdale): May I say a word on a question of privilege? I think the Prime Minister referred to me a moment ago in connection with—

Mr. MACKENZIE KING: I mentioned no name.

Mr. BRUCE: In connection with the question the leader of the opposition had asked the Prime Minister. I have had a great many letters from my constituents about bringing British children to Canada.

Some hon. MEMBERS: Order.

Mr. ROWE: It is a question of privilege; the hon. member has a right to speak.

Mr. SPEAKER: Order. Do I understand that the hon. member is speaking on a question of privilege?

Mr. BRUCE: Yes, on a question of privilege.

An hon. MEMBER: Then say so.

Mr. BRUCE: I feel it necessary to say that in consequence of representations that have been made to me I pursued the question of bringing to this country British children evacuees. I was told at first that there were difficulties in connection with shipping. As shipping is under the control of the British government I assumed that this matter was no longer a difficulty. Only two days ago I received a cable respecting three children who were coming to Canada, and asking me if I would invite them here, because otherwise they would not be able to obtain a permit in London. As a consequence of that I cabled, inviting them to our home.

Mr. POULIOT: There is no question of privilege in that.

TIMBER CONTROLLER

INQUIRY AS TO DUTIES AND CONTACT WITH SIMILAR OFFICER IN UNITED KINGDOM

On the orders of the day:

Mr. J. L. O'BRIEN (Northumberland, N.B.): In view of a question I addressed to the Minister of Finance (Mr. Ralston), who was then leading the house, which appears at page 263 of *Hansard* for May 27, in which I suggested the advisability of some plan of closer cooperation with the timber controller of the United Kingdom; and further in view of the reply by the Minister of Finance at page 290 of *Hansard* for May 28; and considering the press announcement that Mr. H. R. MacMillan of Vancouver has been appointed as controller of timber, I should like to address the following questions to the Minister of Munitions and Supply (Mr. Howe):

(a) Precisely what are the duties of the new controller of timber?

(b) Is he established at Ottawa and if so in which office?

(c) Does he maintain a close contact with the timber controller of the United Kingdom government, and if so is the arrangement of an advisory or executive nature?

In view of the extreme importance of timber from eastern Canada in the war effort, any information regarding the foregoing would be appreciated.

Hon. C. D. HOWE (Minister of Munitions and Supply): I received notice of this question only a few moments ago, and I regret to say that I have not been able to read in *Hansard* the references mentioned. Briefly, however, I may say that it will be the duty of the controller of timber to administer the timber resources of Canada on behalf of the government in the manner best calculated to assist the war effort. The timber controller is at present established at Vancouver, because his immediate problem was in that locality; but he will have offices in other centres across Canada. The appointment was made only last week. As to contact with the United Kingdom timber controller, of course he is working very closely with him in order to see that the requirements of the British government, as well as our own requirements, are filled.

EMERGENCY POWERS

PROVISION FOR MOBILIZATION OF HUMAN AND MATERIAL RESOURCES IN THE PRESENT WAR

The house resumed from Tuesday, June 18, consideration in committee of Bill No. 43, to confer certain powers upon the governor in council for the mobilization of national resources in the present war—Mr. Mackenzie King—Mr. Vien in the chair.

Section 1 agreed to.

On section 2—Special powers of the governor in council.

Mr. HANSON (York-Sunbury): Mr. Chairman, the remarks which I have to make on this bill I thought could be more appropriately made in the committee stage than on the second reading because, as is quite apparent to everybody, we have not objected to its principle—

An hon. MEMBER: Louder.

Mr. HANSON (York-Sunbury): If we could have a little order in the house hon. members might be able to hear. I am not blaming the chairman.

The CHAIRMAN: May I draw the attention of hon. members to the fact that there is far too much conversation in the house.

Mr. HANSON (York-Sunbury): Thank you, Mr. Chairman. The preamble recites in effect that a state of national emergency exists and is the measure's fulfilment of the first suggestion which I made to the Prime Minister (Mr. Mackenzie King) on Monday. I should like to emphasize the fact that the bill is purely and simply enabling legislation, and while it falls short of what many people in this dominion think is necessary and have

been demanding, yet on balance and on the principle that half a loaf is better than no bread at all, we on this side of the house are prepared to accept the principle of the bill and to accept the measure for what it is worth. We therefore did not debate, let alone controvert, the principle of the bill on the second reading, and we do not propose now to raise any question in that regard. Time and the course of events will prove its wisdom or lack of wisdom, its strength and its weaknesses, and whether or not the government have gone far enough or could have gone farther or not so far as they have gone. Personally I am thankful for having obtained from the government at least this measure in support of the safety of Canada, a measure which in my judgment should have been introduced weeks ago.

Section 2 of the bill provides for authority to the government to mobilize all the effective resources of the nation, both human and material, for the purpose of the defence and security of Canada. It will be observed at once that the section is in nowise mandatory. The government may or may not do anything under the bill. But having regard to the observations of the Prime Minister (Mr. Mackenzie King) in his statement which preceded the introduction of the bill, and his further statement when closing the debate last evening, that effective action would be taken as speedily as possible looking to the defence of Canada at least, if not the defence of the empire, and speeches to the like effect by the Minister of Justice (Mr. Lapointe) and the Minister of Public Works (Mr. Cardin) which I have had the pleasure of reading, I am prepared to think that their pledges will be implemented at least in part.

May I be permitted here to interject this one reference to the address delivered last evening by the Minister of Public Works. I have read that address with great care. I do not agree with all he said. I am afraid that he attempted to minimize the importance of the bill. But with one part of his address I am in full accord, and I am glad that he mentioned this. On page 14 of the translation he made this statement:

> I do not want to resume my seat without dissociating myself from those who always place their reliance in the Monroe doctrine. I have had occasion, at the two last elections in the province of Quebec, to discuss the argument based on the protection provided by the United States. I say that it would be a mistake to place our sole trust in the application of the Monroe doctrine for the protection of the liberties of Canada and of the rights and privileges enjoyed by the province of Quebec. Moreover—

And this is the part I want to accentuate, as I believe he accentuated it himself:

> Moreover, it is unworthy of a citizen of Canada, which we are pleased to call a great country, to shift our responsibilities on our great neighbours.

Let me reecho those words. Therefore, Mr. Chairman, I am not concerned with respect to the principle established by this bill, but I am concerned about the method of operation under the bill. The powers conferred by section 2 of the bill being wholly enabling and not mandatory, absolute authority and discretion is left with the governor in council with respect not only to what is to be done thereunder but to the whole question of method and how any given step is to be taken, and to the method of enforcement of any proposed action—

Mr. THORSON: How could it be otherwise?

Mr. HANSON (York-Sunbury): I think I can show my hon. friend a little later, if he will just possess himself in patience and not interrupt. And all this is to be left to the government while parliament is in session! After thoughtful consideration I have come to the conclusion that this is a most extraordinary position for the ministry to take at this time. Parliament is in session. The Prime Minister from his place in this house has affirmed and reaffirmed and reiterated the principle to which I am now giving expression. This whole question of the mobilization of the man-power and material resources of the country is so important that authority ought not to be lightly and without careful thought delegated to any minister. If parliament were not in session there might be some justification for such delegation of authority. Even then the principles and questions involved are so important and so far-reaching in their implications, involving as they do the sending of men to fight, that in such event, namely, parliament not being in session, the government would be justified in calling parliament together. But happily that is not the case to-day: parliament is in session, and it can be kept in session indefinitely to deal with just such questions as I have indicated, namely, the method by which the government shall exercise the extraordinary powers which by this bill they are asking parliament to confer upon them.

To clothe the government by order in council with power to say who shall be called to fight and who shall be exempt, how those called are to be called, and kindred matters, is an extraordinary step. It is an extraordinary power which the ministry should not ask for while parliament is in session. That seems to be fundamental. The complete lack of any machinery whatsoever with respect of the mobilization or conscription of either the

man-power or the material resources of the country indicates clearly to me that the measure was hastily conceived and brought down to this house in an attempt to appease the rising storm of public opinion.

Let us examine together the present position in relation to this matter. I hold in my hand what is commonly cited as the Militia Act. I find on page 6, sections 23, 24 and 25, which deal with the question of the mobilization of the militia under the authority given by section 8 and section 64. The Prime Minister alluded to this act in the course of his address last evening. I do not know when these specific sections were enacted. We were told last evening that the act itself was passed in 1868. That was a long time ago. I had the idea, though I have not had time to verify it, that the Militia Act has been amended from time to time and that it went back at least sixty or seventy years, but I did not know that it had been passed in 1868. However that may be, the provisions of section 23 provide that the governor in council—

—shall from time to time make all regulations necessary for the enrolment of persons liable to military service, and of cadets, and for all procedure in connection therewith and for determining, subject to the provisions of this act, the order for which the persons in the classes fixed by this act shall serve.

If I properly interpret this provision, it means that the governor in council shall, with respect to the persons authorized to be called by the act, have the power of enrolling those persons, collecting together the names. That of course is a necessary preliminary, but when it comes to the question of organization or completing a corps, as provided in section 24, and when men are required to organize or complete a corps at any time either for training or emergency, and enough men do not volunteer to complete the quota required, the men liable to be called shall be drafted by ballot.

If this provision was passed as long ago as 1868 it would appear to me that it would probably have followed the provisions enacted in the neighbouring republic during the time of the war between the states, where they had the draft and the ballot. Anyone familiar with the history of those times will remember, shall I say, the difficulties experienced by the authorities of the union on that occasion by reason of the question of bounty, the question of evasions, and other questions of the kind that arose at the time.

I desire to call the attention of the committee to section 25, which provides that the governor in council may from time to time make regulations; and it specifies (a), (b), (c), (d), and (e)—specific subjects with respect to which regulations may be made. This is all done under the authority contained in sections 23 and 24, which provide a method of calling by ballot. Subsection (a) of section 25 provides for the enrolment and fixing of the day on which the taking of the enrolment shall be commenced in each of the several military districts—

(b) for notifying the men liable to be taken, or those balloted for service in any quota;

(c) for finally deciding claims of applicants for exemption and for the administration of oaths before a commissioned officer of a corps;

(d) for ascertaining the facts in reference to claims for exemption, for medical examinations and for the discharge of such men as are unfit to serve;

And finally and generally—

(e) relating to every other matter and thing not inconsistent with the act and necessary for the enrolling, balloting, warning and bringing into service of such number of men as are required at any time.

Subsection 2 of section 25 is reminiscent of civil war days. It provides for substitutes. It is provided still in our law, under this act, that any man balloted and notified for service may at any time be exempt until again required in his turn to serve, by furnishing an acceptable substitute on or before the date fixed for his appearance, provided that if during any period of service any man who is serving in the active militia as a substitute for another becomes liable to service in his own person, he shall be taken for such service, and his place as substitute shall be supplied by the man in whose stead he served.

Section 26 provides for full period for service to be completed.

I do not advocate this method, nor does the government, as I assume from the remarks of the Prime Minister last night. In my judgment, it is antique. From its language, as I have stated, it would appear to have been copied from the laws of the United States passed during the struggle between the states. I object to the method not on account of its age but because it does not appeal to me as being sound. Indeed, I could enumerate many objections to the method. The chief is that by the ballot method the choice is left to mere chance. There is no element of selectivity about it, which appears to me to be so essential. A skilled mechanic or highly skilled technical officer might be chosen by ballot, and to take him from his position might be a distinct detriment to the safety of the state. And so I am not advocating this method. The point is one of procedure, and that is a matter laid down by parliament; and the principle has been adhered to in that legislation.

Now what was the position when the Military Service Act of 1917 was enacted? Parliament was in session then as it is to-day. The government of the day did not ask parliament to delegate to it the procedure and the method. On the contrary the government took meticulous care to consult parliament in every detail. Anyone who cares to do so may read the debates of the 1917 session and examine for himself what the position was and how carefully the whole question was considered by parliament itself. The government did not ask parliament for the sweeping powers asked for in this bill. The opposition of the day would have raised the roof at any such proposition, and properly so. I am not seeking to raise the roof to-day, but I am asserting that, with parliament in session, before this act is put into effect the regulations, procedure and methods should be submitted to and sanctioned by parliament.

What was the position under the Military Service Act of 1917? The act itself recited the conscriptive provisions of the Militia Act and stated that the balloting procedure therein provided for was not satisfactory and that it was expedient to replace it by a selective draft.

Section 2 provided that "every male British subject who comes within one of the classes described in section 3 of the act, and:

(a) is ordinarily resident in Canada; or

(b) has been at any time since the 4th of August 1914 resident in Canada shall be liable to be called out on active service in the Canadian Expeditionary Forces for the defence of Canada either in or beyond Canada.

That was the principle laid down in section 2.

Section 3 set forth those classes of persons liable to be called out, in the order in which they would be called:

Class 1: 20 to 34, unmarried men or widowers without children.
Class 2: 20 to 34, married men or widowers with children.
Class 3: 35 to 41, unmarried men or widowers without children.
Class 4: 35 to 41, married men or widowers with children.
Class 5: 42 to 45, unmarried men or widowers without children.
Class 6: 42 to 45, married men or widowers with children.

Section 4, subsection 1 of the act provided:

The governor in council may from time to time by proclamation call out on active service as aforesaid for the defence of Canada, either in Canada or beyond Canada, any class or subclass of men described in section 3, and all men within the class or subclass so called out shall, from the date of such proclamation, be deemed to be soldiers enlisted in the military forces of Canada and subject to military law for the duration of the present war and of demobilization thereafter, save as hereinafter provided.

[Mr. R. B. Hanson.]

The act provided for the establishment of local tribunals, appeal tribunals, a central appeal judge to determine the right to exemption of persons falling within the class called out. I do not know whether the Minister of Mines and Resources (Mr. Crerar) was here at that time—I think not—but he himself must have been familiar with this statute.

Under this act the Minister of Justice was empowered to establish local tribunals at such places as he deemed necessary, and an elaborate procedure was specified to safeguard against the possibility of political appointments to these tribunals. The chief justice of the court of last resort in each province was required to establish a sufficient number of appeal tribunals and to assign to each such tribunal one judge of any court in such province. The governor in council was empowered to appoint a judge of the Supreme Court of Canada to be the central appeal judge. Mr. Justice Duff, now Sir Lyman Duff, was so designated.

These tribunals determined whether any persons in the classes called out were entitled to exemption on any of the following grounds:

(a) That in the national interest a man, instead of being employed in military service should be engaged in other work in which he was habitually employed.

(b) That in the national interest a man, instead of being in military service, should be engaged in work in which he wishes to engage and for which he has special qualifications.

(c) That in the national interest the man so called up should continue to be educated or trained. . . .

(e) Ill health or infirmity of the man so called out.

(f) If the man had conscientious objections to combatant service and was prohibited from such service by the tenets and articles of faith of any organized religious denominational body.

Under the statute application might be made to a local tribunal on behalf of any man who believed himself to fall within the above classes of exemption; and if it were so found by the tribunal, certificates of exemption would be issued. Conscientious objecters were given certificates of exemption from combatant service only, and in addition to persons obtaining certificates under this act for the above reasons, the act made the following exemptions:

1. Persons already in the armed forces either of Canada or of one of her allies.
2. The clergy.
3. Those persons exempted from military service by order in council of August 13, 1873—

I understand this refers to a sect known as Mennonites.

—and by order in council of December 6, 1898.

I am informed that this refers to a sect known as Doukhobors.

Section 13, subsection 4 of the act provided that unless further authorized by parliament, the reinforcements provided under this act were not to exceed 100,000 men. The act made specific provisions for penalties for persons failing to report, falsely obtaining certificates of exemption and in any other way contravening the provisions of the act.

The point I want to emphasize is that these provisions were enacted by parliament while in session and not by order in council as we are asked to do to-day. I suggest to the Prime Minister and to the government that this is still possible and should be done. I am satisfied that with two or three good officers in the department, accompanied by two or three good draftsmen—and I should be glad to lend my services to the Minister of National Defence for Air (Mr. Power), because I believe that he and I could do this with the assistance of the proper officers of his department if necessary—regulations with respect to the selection of men for military service under this statute could be drawn up and brought back to the house at next Monday afternoon's session. I do not think, however, that would be necessary because the minister has competent assistants in his department; and I have so much confidence in the minister that I believe he could do it alone with the assistance of his officers, without any high-priced draftsmen or any assistance that I could lend him. Indeed, I am satisfied he could do it. The point I urge on the government is that while parliament is in session this ought to be done so that we can examine these things.

Mr. POWER: Does my hon. friend suggest that the regulations should be passed under the bill or that we should bring them down in a statute?

Mr. HANSON (York-Sunbury): I have not given much consideration to that. I am not concerned about the procedure; it is the object that I have in mind. I think it could be done either way. The form is not important; it is the principle, the substance, that I am standing for. It can be done, and there is no immediate necessity for having this bill put through to-day, having regard to the fact that, after all, we who support the principle of the bill on every side of the house have to go to the country and justify it. And we cannot justify a regulation that we have not had any hand in framing.

I am not voicing a vote of want of confidence in the ministry with respect to the regulations. Some people may; at the moment I am not. I do not want anybody to get the impression that I am. I say, however, that while parliament is in session, with respect to so important a matter as the conscription of men to fight and perhaps to die, we who are responsible for embalming that principle in the legislation of the country ought to have something to say about the method of their selection, and we ought to control if we can the question of exemption.

I can recall on one occasion during the election of 1917, when I was not a candidate but when I had to do most of the campaigning for the man who stood in my constituency, going to a rural municipality where there was a substantial vote, and when I got out there I found that every young man in that parish except the minister's son had been exempted by the local tribunal. I want to tell you, sir, I had a warm time from the boy's mother. She wanted to know why, of all the young men in that community, her son had not been exempted from military service. Of course, the fact was that one could not have uniformity in so wide-flung a jurisdiction, composed of different groups of men all over the country. In New Brunswick the jurisdiction was set up on the basis of counties. At any rate, every young man but one in the community to which I refer had been exempted because he was a farmer's son. Boys in families of three, four or five sons were all exempted. I am glad to think that most of these young men voluntarily enlisted before the clause was put into effect. That is one of the evils which might occur under a system such as the old one. Now I am going to leave that question with the Prime Minister.

Parliament is in session. Those of us who support the principle of this bill have a responsibility. I tell the Prime Minister it has not been easy to support the principle of this bill, having regard to the volume of representations I had received beforehand in favour of something more far-reaching, and the protests I have been receiving this morning that we should still have something greater. But as I said before, for the defence of Canada if for nothing else I am willing to support the principle of this bill; because half a loaf is better than no bread.

I have a word to say about the other aspect of the question—the Prime Minister himself referred to it last night, and it is important—the mobilization of the wealth and material resources of this country. What is to be done in regard to that? I am no demagogue. I am not saying that as a result of this war the rich will become richer and the poor poorer. I believe the time has come for universal sacrifice according to ability to pay. I am prepared to do my share, although I have not any too much of this world's wealth.

This question, along with that of the mobilization of man-power, is of fundamental importance. What is the intention of the government? I can understand in England, where the danger was so much more imminent than it is here, the necessity for taking the authority that they did on May 22, when invasion was actually threatened. They were unanimously willing to leave it to the government of the country to say what the regulations should be, not only with respect to man-power—they already had the principle of conscription on the statute books—but with respect to conscription of wealth and material resources. We are not in that position to-day. I put it to the Prime Minister and hon. members of this house as an important problem upon which we should have some discussion: What does the ministry propose with respect to the mobilization of wealth? I am not suggesting, and I would not support, the nationalization of the banks. I believe in individual effort. In peace time or in war time I am opposed to the government of this country setting up industrial plants which will compete with private industry. But I want to know what the government has in mind with respect to this important matter. The other day an hon. member from one of the western provinces advocated taxation of all the "spendable money" in the country, and the issue of interest-free bonds. I had it on the tip of my tongue to ask him what he would do about my bank overdraft. I do not want to inject any humour or comedy into this question; the matter is serious. But I have a bank overdraft of some thousands of dollars, upon which I am paying five per cent to the bank. That is "spendable money" in some form. Am I to be taxed the 3½ per cent that he would impose on that "spendable money," in addition to the carrying charges?

Mr. POULIOT: That is not spendable money; that is spent money.

Mr. HANSON (York-Sunbury): I do not think I need pause for an answer to that question. What is to be done by the government with respect to this important problem? We ought to know. If it is possible, the regulations should be drafted and submitted to parliament, and hon. members be given an opportunity to pass their opinion upon them. I am ready to sit in on any committee, and if I have had any business experience that is worth anything I might be useful on such an occasion. At all events I am willing to give gratis to this country and the government the benefit of any experience I have with respect to matters of this kind. But I do not think the government need my experience; I think they will find it readily available at their hand. But I am "from Missouri"; I want to be shown. I want to know what the government's proposals are. Last night, in his speech upon which I have already congratulated him, the Minister of Public Works (Mr. Cardin) used the following words; very truthful words I thought. They are found on page 895 of *Hansard*, and with these words I agree:

> In any event, what the government is being given under this measure is the broadest blank cheque ever given to its executive by any parliament for the administration of public affairs and the safety of the sacred interests of the nation.

That is a true statement. And because it is the greatest commitment that has ever been given to a government, I say the responsibility of the government is just so much the greater. I have a right to query the administration with respect to this matter. What are their proposals? Let them take the people and the country into their confidence. I do not mind telling the house that I have already had repercussions from this very angle. This morning I received a telegram from an old friend who asked, what about hoarding, after the announcement of yesterday? He urges that unless something is done immediately against hoarding, the mobilization of wealth will drive money from circulation and from the banks into the old sock. That may well happen. I do not think there is any great danger of a flight of capital out of Canada at this time by reason of this legislation. I am glad to think that the foreign exchange control board will take care of that to the best of its ability. I believe it is doing good work. There are leaks, of course; but from all I can learn, every leak is being plugged as quickly as it is discovered. But there is the question of hoarding. I think it will be found among those who are timid, and some reassuring word might be given. There are people who have fear complexes, fear for the little nest-egg that they have. I am sure they will be found among those thrifty people in the province of Quebec. Some reassuring word ought to be given to them. I do not mean the rich and well-to-do; they need no reassurance, and their duty in the circumstances is plain.

Whatever flight of capital there has been from this country was before the declaration of war; I believe there was a substantial flight of capital from Canada before the war. But it was a considerable period before the war, and not because of the fear of war; it was due in large part to the rapidly mounting taxation, especially by provincial governments,

and especially the taxation of estates of deceased persons. That principle has been in our law for a long time; it will always be there. I hope that when the report of the Sirois commission comes before us for consideration earnest consideration will be given to the recommendation of one succession duty for the whole country. I have had many a headache over the question of multiplicity of succession duties. The executors of many an estate who have been extremely anxious to be honest and honourable have found themselves penalized not merely once but twice or thrice, having to pay double or triple taxation. There seems to be no reciprocity at all between the provinces in this regard.

I should like to observe in passing that it may be popular in some quarters to open up estates which were settled fifteen or twenty years ago, and there may be justification for it in some instances—I should think there would be justification where fraud was shown—but I should like to suggest to hon. gentlemen that this course has had an extremely bad effect in other directions. It has had the immediate effect of driving out of this country large sums of capital which is needed for the development of Canada and which would come in very handy to aid in our war effort.

It has had another bad effect. In the old days in the maritime provinces fairly substantial fortunes were made, both in commercial ventures and by the exercise of the old-fashioned virtue of thrift. Many of these fortunes, modest in most instances as compared with present day fortunes, upon the death of their owners were distributed among the educational and charitable institutions of our country. Many hospitals were the recipients of large sums of money accumulated during a lifetime of saving. To-day taxation has taken that all away, with the result that in my community at least, we are supporting our hospitals through direct taxation upon the people of the city, and we are glad to contribute to that cause. In other days well disposed people would have assumed a much larger share of the burden upon the community. That day has gone, just because of the principle to which I have referred. I must add that the blame in that regard, if any there be, does not lie within this jurisdiction.

I know the Prime Minister is anxious for this bill to become law. I suspect not expressly because of the necessities of the defence of Canada at this moment, but because in my opinion he wants to ferestall criticism. By that I do not mean criticism of the principles involved, which criticism I think he is prepared to meet, but rather criticism of the methods to be adopted in enforcing this measure. As I have already stated, in my opinion competent officials now in the employ of the government, with the assistance of one or two first-class legal draughtsmen, could whip these regulations into shape between now and Monday. Let the government do this; let them produce the regulations next Monday and then let parliament know what the procedure and the regulations will be, because that is its proper function. Let us at least know what they are to be. I would not limit this in any degree to the mobilization of manpower which, because it involves the human element, is the most important. I would apply it also, as far as that may be possible, to the mobilization of material resources. This is not so important as the Prime Minister suggested last night, but it is important.

I have not said one word with respect to taxation. The budget will be brought down this week, and then we will know what are the proposals of the government. Then we can examine those proposals in the light of the necessities of the occasion and the capabilities of the nation.

Now I invite the Prime Minister to take the house into his confidence and tell us just what procedure he has in mind under this section. If he has the principles in mind I have no doubt in the world that those principles can be reduced to writing and examined in this house, where they should be examined and to which it is the duty of the government to submit them, instead of taking the greatest blank cheque parliament has ever given to any government, even in an extreme emergency such as we are now facing. In the past I have heard about blank cheques. That was a day of economic warfare, and objections were raised then. Now we are up against something a great deal more difficult; I admit that, but the principle involved is the same.

Mr. MACKENZIE KING: Mr. Chairman, I doubt if I am able to recall the several points mentioned by my hon. friend, but I think I got the general drift of his remarks. As I listened to him it seemed to me that all of them might pretty well be answered by saying that what he regards as applicable to the present government is equally applicable to the British government with respect to the measure which was enacted at Westminster, on which our measure is based. When Mr. Attlee introduced the bill giving emergency powers to the British government, in addition to the great powers the government already had, the British parliament was in session. It was expected that parliament would be in session from day to day from then on; that fact was known to all hon. members. Notwithstanding that fact Mr. Attlee asked

on behalf of the government of the United Kingdom that they be given powers of mobilizing human and material resources which would be as extensive as, in fact almost identical with those set forth in the present bill. There was no suggestion in the British house that any regulation made under that enabling measure should be discussed in the House of Commons or the House of Lords before it was taken, and the reason is wholly apparent. The reason is that any action that will have to be taken under this measure will of necessity be of such an emergent character that it might defeat the whole purpose of the legislation if the government were obliged to wait for a discussion on a particular regulation before it was passed. Moreover it would disclose in advance the means being taken to cope with a critical situation, to meet which might require the utmost secrecy. This house adjourns on Friday night until Monday. What may transpire between any Friday and any Monday no one in this house can say, any more than they could have anticipated what has happened between a Friday and a Monday in Great Britain. But the length of time the British legislation has been on the statutes has shown, I think, the wisdom of giving to the government in London the opportunity of taking immediate action with respect to any situation that might arise at any time, and of placing thereafter before parliament at the earliest opportunity the regulation that was made.

The bill now before the committee itself contains a provision that at the earliest possible moment parliament shall be informed of the regulations that may be passed under it. Section 5 of the bill states:

> Every order or regulation passed under the authority of this act shall be tabled in parliament forthwith if parliament is in session and, if parliament is not in session, within two weeks of the opening of the session next following the making of such order or regulation.

What is the procedure that would be followed? If a regulation were passed under this measure to-day that regulation could be tabled at the next sitting of the house, to-morrow. In the action it might wish to take the government would be well aware that any regulation passed might become immediately the subject of discussion, and would not be tempted to pass any regulation unless it thought there was full justification for it. If parliament adjourned on Friday night the regulation if passed on Saturday would be tabled on Monday. But I venture to say that if the situation on either of our coasts should become anything like it has become on the coasts of some countries in the old world, there may be need for the passing of a good many regulations between a Friday night and a Monday, which I submit it would be impossible for parliament to discuss before they were enacted.

In this matter it is very easy to say, "Oh, yes; parliament should deal with all these things." Every time I have asserted the authority of parliament as being supreme over the ministry; every time I have expressed the desire to keep parliament informed in all particulars, I have based what I have said on my belief in the wisdom of the British system and methods of government. No parliament in the world is more zealous of preserving the liberties of the individual citizen than is the parliament at Westminster. But if the parliament at Westminster has found it necessary to ask for special powers to meet an emergent situation in a time of war it has done so, not with a view to destroying in any way the liberties of the individual, but rather to seek to preserve them in the most effective way possible.

And it is exactly on the same basis that the government of to-day is asking that these powers be given to it. It is for exactly the same reason that we are asking that this enabling power be given to us to deal with an emergent situation.

I believe my hon. friend has over emphasized one particular aspect of this measure. Anyone coming into the house and listening to the discussion would have thought that we had before us a bill with respect to conscription, and conscription only. My hon. friend dwelt at some length upon a comparison between this measure and the military act passed in 1917. That act had to do only with the conscription of men, and, moreover, conscription for overseas service.

Mr. HANSON (York-Sunbury): Both.

Mr. MACKENZIE KING: Yes, it had to do with both. But the references my hon. friend has made to tribunals and the like all had their particular bearing on the matter of overseas service. Nobody had in mind at that time the necessity of the young men of this country having to defend their own country on the soil of Canada itself. Parliament was discussing what was essential in connection with sending of more men overseas —conscripting them to send them overseas to do service in Europe. This bill does not touch conscription overseas, beyond setting forth that its provisions shall not be applicable to conscription for overseas service. That is a most important distinction to be kept in mind in any comparison which may be made between legislation with respect to conscrip-

tion passed during the last war, and the measure before us. It is altogether a mistake to designate this measure as primarily a conscription measure. It is a measure with respect to the mobilization of human and material resources.

Mr. HANSON (York-Sunbury): You can skate over that thin ice all you like, but this is for conscription of men and materials.

Mr. MACKENZIE KING: I repeat that it has reference to the mobilization of human and material resources—in other words is applicable to the entire resources of Canada. It does not relate to men only. It relates to every phase of the economic, financial and social life of the Dominion of Canada.

In that particular may I say that here again it follows exactly along the lines of the British measure. And in this connection, since there has been frequent reference to Mr. Attlee, I have gone to the trouble of preparing a brief statement which sets forth essential features of the British measure, as Mr. Attlee saw and presented them to the British House of Commons. I refer to Mr. Attlee's remarks at this point in order to make clear that it is exactly the same sort of thing that is contemplated under this measure. Speaking on May 22 Mr. Attlee said he did not want anyone to jump to the conclusion that all of a sudden everybody was going to be ordered to do something different from what he was doing now. The essential thing in an emergency was that everybody should continue at his job until he was ordered to do otherwise. What was proposed was that there should be control over persons and over property. The Minister of Labour would be given power to direct any person to perform any services required of him—to prescribe the terms of remuneration, the hours of labour and the conditions of service. With regard to conditions and pay, it was proposed to carry out wherever they existed industrial agreements which had been arrived at already, and wherever such agreements had not been arrived at to observe the rates normally paid by good employers. If people were required to shift from one district to another, there would be payment for that, et cetera.

Dealing with control over property, Mr. Attlee said that some establishments would be controlled altogether right away. Others might be controlled later. They would, in effect, be working on government account. Other establishments might be ordered to carry on, perhaps at a loss—for which apparently remuneration would be given. There might be cases where firms would have to close down with interim compensation.

There would be control of the finance of the country and of the banks. It might be done centrally, or through regional commissioners and financial advisers.

The Minister of Labour had been given the responsibility of supplying the labour required for the programmes of the various departments. He proposed to set up a production council consisting of representatives of the chief government departments concerned with munition supplies. A director of labour supply would be set up, training facilities would be established, et cetera. What I have set forth illustrates the scope of the measure as it was put through. It gave the government power to deal with any and every situation which might arise at a moment of great crisis or emergency.

Mr. COLDWELL: Is it the intention of the government to do what has been done under the bill in Great Britain? If so, then it removes a great many of our objections.

Mr. MACKENZIE KING: In reply may I say to the hon. member that already the British government has done certain things under this act, and I have no doubt it will do many more things under it. What they have done under their authority has been what they deemed to be necessary in view of particular situations at the time they arose. It is precisely the same sort of thing that this government purposes doing. When my hon. friend the leader of the opposition asks me to tell him all the government purports to do under the measure he knows very well I cannot begin to give an encyclopaedic reply to that question, because the powers which will be exercised will be so exercised as occasions arise. One day there may be something which affects labour, from the point of view of observation of its standards. It may be that on another day there may be something with respect to the manufacturing of particular commodities. Another day there may be something with respect to matters of finance. The action taken would be dependent upon what situation may arise, and how it may be most effectively met. In order to have the powers as broad as possible they have been made all-inclusive, to include the mobilization of human and material resources. Thus far in Great Britain, although they have had a situation with which fortunately thus far we have not been faced, they have not found it necessary to exercise many of the additional powers granted. But from day to day new situations arise, and the government is able to meet those situations by having the necessary powers to do so already in its hands.

By way of illustration we may find that within a few days some attack may be made

upon our own coast. We might wish to direct a branch of industry of this country to perform a function which would necessitate helping to meet that situation in an extremely rapid manner. In trying to deal with a situation of the kind on a moment's notice we might be confronted with some employers who would be wholly loyal and anxious to do all they could, and we might meet with others who would wish to bargain, to learn what particular profits were to accrue before any step could be taken. Under the provision of this measure an individual could be told by the government of the day that he is to serve the state, not merely from the standpoint of profit. There would be authority here, were it necessary, to make him do what we are asking.

As I said yesterday we will exercise our powers in the light of our responsibility to parliament. The country will know that whatever we do will have to be done with the full knowledge that on the afternoon of the day on which it has been done, if parliament is sitting on that day, the whole question may be reviewed publicly in the house. I believe under those circumstances there is every reason for feeling that whatever powers may be exercised will be exercised with due regard to the preservation of the liberties of the individual, so far as they can possibly be preserved in a crisis.

May I add these words: I feel that already through headlines in the press, and I would say the same of the speech of the leader of the opposition this afternoon, the impression has been left that the measure is in reality little else than the old-fashioned measure of military conscription. I say it is nothing of the kind. I wish to make it perfectly clear that the mobilization is intended to provide men for all kinds of war work, of which service in the military forces is only one. As is natural at this early stage of the discussion, there seems to have arisen a different impression in many quarters. It is important therefore that I should make it quite clear that the essence of the measure is that the government is to be empowered to direct the men and the material equipment of this country into the work most urgently needed in the present crisis. That, I believe, may just as well require that some men go into the factories, farms and training centres as into the armed forces.

An hon. member on this side of the house made the statement publicly this morning that he felt he could go into his constituency and, by making it known to his constituents that this measure had to do with the protection of Canada and our own Canadian soil, bring forward in a very short time men from the forests, from the fields and from the factories, all prepared immediately to join the Canadian forces to resist any possible invasion, and that he would be prepared to guarantee that that could be done in constituency after constituency throughout the country, once it was understood that there was the necessity of defending our own Canadian shores. I pointed out to him that in doing that he might be making the greatest mistake possible with respect to the national interest; that, to win this war, we might wish to keep at work in the forests the men who are now working in the forests, to provide the timber which will be required for docks and wharves and required immediately; that the men who are working in the factories may be a thousand times more useful to the government of this country in giving their skilled labour to the manufacture of aircraft, munitions, or other weapons of war than they could possibly be in lining up and presenting themselves for military service; equally that on the farms, if we are to perform what will be expected of us, we shall need all the production that can be effectively and rapidly carried out on the farms of our country.

As the situation has developed, it will be necessary for the British isles to look more than ever to Canada for supplies of many kinds, for food, for munitions, for aircraft, and a great variety of other things. No longer can Great Britain hope to get some of these supplies from any other country of Europe, nor indeed can she hope to receive them, via the Mediterranean, from Australia, New Zealand and elsewhere. The one route above any route in the world which will have to be kept open is that which runs from the mouth of the St. Lawrence to the ports on the western coast of Great Britain. The efforts of Germany will be directed more and more to blocking that route, to cutting it off, in order that Britain may be starved of food, munitions, equipment and much else. Does not that raise a problem which this government will have to face, as to how we are to get men to do, in the way they should be done, the things which are required before all others and will give the greatest immediate service? I contend that that cannot be done unless the administration has enabling powers which will put us in a position where, if we see that a certain course of action rather than some other is urgently necessary, that particular course will be taken.

This measure does not mean that the manhood of Canada as a whole is to be conscripted at once, that every man in the country is immediately to be put into uniform and shoulder a rifle. The moment may come

when it will be necessary to call out the young manhood of the country to help save our soil because of invasion. We pray that that day may not come. On the other hand it may come, and we want to be sure that, if anything of the kind ever happens, those who will be called upon to serve will be properly trained and will know how to perform their duties as soldiers defending their own country. This measure gives us the opportunity to call out, in such numbers and at such times and places as may seem wise, the men between certain ages for the purpose of training, so that when, later on, it may become necessary to put them into active service, they will know how to perform at least the elementary duties of men in arms.

I submit that, if all this is clearly understood, there should be a disposition to allow the government the discretionary power which is absolutely essential when measures have to be taken in very quick order with respect to situations which an hour before were not known, and that there should not be any effort to limit the government's power in that particular by placing any false emphasis upon the exceptional powers which this bill will give to the administration.

Mr. LACOMBE (Translation): Mr. Chairman, since the amendment I moved to the bill at present under discussion has been ruled out of order, I have decided to move the adoption of another now that the house is sitting in committee on the same legislation.

Before proceeding with this motion, I believe it my duty to draw the committee's attention to the fact that the Militia and Defence Act remains the same. Section 64 of this Act has not been amended. That section reads as follows:

> The Governor in Council may place the Militia, or any part thereof, on active service anywhere in Canada, and also beyond Canada, for the defence thereof, at any time when it appears advisable so to do by reason of emergency.

In view of this Act and for the reasons I have already mentioned, I wish to restate my opposition to this bill.

I am not doing this because I derive pleasure from it, Mr. Chairman, but because it is my duty to do so. No one, no matter what high position he occupies, can prevent me from freely speaking my mind. No one in this house, no matter how powerful he may be, can force me to betray the mandate I hold from my constituents. This mandate from a free and honest people rises way above the insinuations and insults directed last night at those members whose only crime has been the fulfilment of their duty, their whole duty—

Mr. JEAN: Your whole duty?

Mr. LACOMBE: —as they understand it. I would like to point out to the hon. member for Mercier (Mr. Jean) that I am speaking for myself, and that I respect his own opinions.

We shall not cease, notwithstanding anyone, to glorify the heroic resistance of our old motherland, France, nor to proclaim her valour, her pride and her nobleness, for France, in whose soul lives an ideal of justice, of beauty and of courage, will see her sublime sacrifice magnified in history.

Mr. DUPUIS: Will she stand alone?

Mr. LACOMBE: We shall never cease admiring and deploring at the same time the glorious martyrdom of France. We shall do so freely and without restraint as the worthy sons of a heroic mother.

I wish to state that the Canadian people were odiously deceived during the federal election of March 26 last. The matter of conscription, even for the defence of the country, was at no time submitted to them. Neither was it submitted to their representatives, except on extremely short notice. The members, like the people, were caught by surprise and unprepared. Why this attitude worthy of the dictators against whose policies the democracies are now embattled?

Moreover, I am convinced that if the government had made an urgent appeal for volunteers to defend Canada, there would have been no need to introduce this execrable and loathsome conscription measure.

"Let us forget the past" was the appeal made last night by a member of the cabinet. No, a thousand times no! The past is the entire sacred history of a people. To lay it aside would be a betrayal. We are not prepared to consummate such a felony. In spite of the insults and inept remarks of certain persons, we shall pursue without faltering our difficult course. We shall no more give way to threats than did the constituents of Laval-Two Mountains and their member before a band of hoodlums and criminals who tried to steal the ballot boxes on March 26 last. I leave it to the house to judge this disloyalty toward an opponent who was not really one. I leave it to the hon. members to judge this disloyalty toward one of their most undaunted defenders during the last twenty years.

It will be stated, as it has been said over and over again, that we are opposed to the defence of Canada. That is absolutely false. What we cannot support, however, is the obvious contradiction between this bill and section 64 of the Militia Act. What we cannot support is this sudden reversal of the

government's policy and its failure to appeal first to the people for volunteers to defend Canada. What we cannot support is the government's failure to submit the present measure to the approval of the Canadian people during the recent election campaign.

No, we are not opposed to the defence of Canada, but we claim that full advantage should first be taken of the possibilities of the voluntary enlistment system. We also claim on behalf of the people the opportunity and the sacred right to express their opinion on this measure through a plebiscite. Moreover, we demand that the Militia Act be amended so as to apply solely to the protection of our territory. Those who blamed us in this parliament a few hours ago, forget that the man who voices these views served in the army during the last war. Some people quickly forget the sacrifices and the distress of others. Whatever happens, we will stand our ground and continue to defend at all times and everywhere freedom, justice and right.

The right honourable the Minister of Justice (Mr. Lapointe) said that the first duty of a citizen is to defend his country. I agree with that. For four years I have opposed any increase in the military estimates because the government persisted in refusing to amend the Militia and Defence Act; such was, besides, the gist of every objection I raised before.

That money was to be used solely for the defence of Canada. I need not recall what has happened.

Mr. DUPUIS: That is true.

Mr. LACOMBE: As the hon. member who is my desk-mate says, that is true. It is evidenced by the facts. Let us study the history of these later times. I shall not state facts known to everyone; it would be a loss of time. But I wish to say that as long as the government persist in refusing to amend the Militia and Defence Act, my attitude shall remain unchanged.

At a time when the United States are enforcing the Monroe Doctrine, is it fitting that the Canadian Parliament should enforce conscription in Canada even for the defence of her territory? Has anything been done to ascertain what response the Canadian people would make to the authorities if the Government appealed for a greater number of voluntary enlistments? I am asking that question because this measure is exceedingly serious. Consequently, I have the honour to move, seconded by the honourable member for Quebec-Montmorency (Mr. Wilfred Lacroix):

That all the words after "whereas" in the preamble of the bill be deleted and the following substituted therefor: "the government's war policy must be free and voluntary."

[Mr. Lacombe.]

Mr. LACROIX (Quebec-Montmorency): Mr. Chairman, I have the honour to second the motion moved by the hon. member who has just resumed his seat.

The CHAIRMAN: It is moved by the hon. member for Laval-Two Mountains (Mr. Lacombe), and seconded by the hon. member for Quebec-Montmorency (Mr. Lacroix):

That all the words after "whereas" in the preamble of the bill be deleted and the following substituted therefor: "the government's war policy must be free and voluntary."

I call the hon. member's attention to standing order No. 76 which says:

In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

Standing order No. 58, paragraph 2, says:

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

The committee is presently on a section of the bill, and I must declare out of order an amendment to the preamble of the bill at this stage of the proceedings.

The committee would no doubt like to know what has been done. The hon. member for Laval-Two Mountains (Mr. Lacombe) has proposed, seconded by the hon. member for Quebec-Montmorency (Mr. Lacroix)—there is no necessity, I might point out, for a seconder of amendments in committee—that all the words after the word "whereas" in the preamble of the bill be struck out and replaced by the following words: "the war policy of the government must remain free and voluntary." I have drawn the attention of the hon. member to standing order 76, wherein it is provided:

In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

The proposed amendment being to the preamble, it is out of order, because the committee is on section 2 of the bill.

Mr. PICARD (Translation): Mr. Chairman, the hour is grave, the international situation is deteriorating rapidly. I do not wish to prolong the debate and to delay the passing of the bill, but it is such an extraordinary measure that I feel it is my duty to explain my position.

Mr. LACOMBE (Translation): Mr. Chairman, I regret that I have to challenge your ruling.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

When the committee was considering section two of Bill No. 43, an act to confer certain powers upon the governor in council for the mobilization of national resources in the present war, Mr. Lacombe moved an amendment: "That all the words after 'whereas' in the preamble of the bill and in the bill be deleted and the following substituted therefor: 'the government's war policy must be free and voluntary'." The chairman ruled the proposed amendment out of order, on the ground that it could not be moved when section two of the bill was under consideration, and that under standing order No. 76 the preamble is first postponed and considered after every clause has been passed on. Whereupon Mr. Lacombe appealed from the ruling of the chairman.

Mr. SPEAKER: The question before the house is: shall the decision of the chairman be confirmed? Those in favour will please say aye, those opposed will please say no. In my opinion the ayes have it.

Mr. MACKENZIE KING: Have a vote.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Abbott
Adamson
Anderson
Authier
Aylesworth
Bercovitch
Bertrand (Laurier)
Bertrand (Prescott)
Bertrand (Terrebonne)
Black (Chateauguay-Huntingdon)
Black (Cumberland)
Black (Yukon)
Blackmore
Blair
Blanchette
Bonnier
Bourget
Bradette
Brooks
Brunelle
Cardiff
Cardin
Casgrain
Casselman (Edmonton East)
Casselman (Grenville-Dundas)
Castleden
Chambers
Chevrier
Church
Claxton
Cleaver
Cloutier
Cockeram
Coldwell
Corman
Coté
Cruickshank
Davidson
Dechene
Denis
Deslauriers
Desmond
Diefenbaker
Donnelly
Douglas (Weyburn)
Dubois
Dupuis
Durocher
Edwards
Emmerson
Esling
Eudes
Evans
Factor
Fair
Farquhar
Ferland
Ferron
Fleming
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulford
Furniss
Gardiner
Gauthier
Gershaw
Gillis
Gingues
Gladstone
Golding
Goulet
Graham
Grant
Gray
Green
Hallé
Hansell
Hanson (York-Sunbury)
Harris (Danforth)
Harris (Grey-Bruce)
Hazen
Healy
Henderson
Hoblitzell
Homuth
Howe
Hurtubise
Ilsley
Isnor
Jackman
Jean
Johnston (Bow River)
Johnston (London)
Jutras
King, Mackenzie
Kinley
Kirk
Kuhl
Lacroix (Beauce)
Laflamme
Lafontaine
Lalonde
Lapointe (Lotbinière)
Lapointe (Matapedia-Matane)
Leader
Leclerc
Leduc
Leger
Little
Lizotte
Lockhart
McCann
McCuaig
McCubbin
McCulloch
MacDonald (Brantford City)
McDonald (Pontiac)
MacGarry
McGeer
McGibbon
McGregor
McIlraith
MacInnis
McIvor
MacKenzie (Lambton-Kent)
MacKenzie (Neepawa)
Mackenzie (Vancouver Centre)
MacKinnon, (Kootenay East)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Macmillan
McNevin (Victoria, Ont.)
McNiven (Regina City)
MacNicol
Marier
Marshall
Matthews
Maybank
Mayhew
Michaud
Mills
Moore
Mullins
Mulock
Mutch
Neill
Nicholson
Nielsen (Mrs.)
Nixon
O'Brien
O'Neill
Perley
Picard
Pinard
Pottier
Pouliot
Power
Purdy
Quelch
Ralston
Reid
Rennie
Rhéaume
Rickard
Roebuck
Ross (Calgary East)
Ross (Hamilton East)
Ross (Moose Jaw)
Ross (St. Paul's)
Ross (Souris)
Rowe
Ryan
Sanderson
Shaw
Sinclair
Sissons
Slaght
Stirling
Stokes
Sylvestre
Taylor
Telford
Thauvette
Thorson
Tomlinson
Tremblay
Tripp
Tucker
Turgeon
Turner
Tustin
Veniot
Ward
Warren
Weir
White
Whitman
Winkler
Wood
Wright—202.

NAYS

Messrs:

Lacombe
LaCroix (Quebec-Montmorency)—2.

And the house having resumed in committee:

On section 2—Special powers of the governor in council.

Mr. PICARD (Translation): Mr. Chairman, words are rather useless at the present moment.

The vote just registered proves better than all that could be said the national unity on this subject. It is not my intention to speak at length. I only want to say a word on this government bill. We have said throughout the country that we were opposed to conscription for service overseas. But the bill presently before the house is for the mobilization of capital and man-power for service in Canada. The vote just taken shows that the people of all Canada will approve of the government's decision to mobilize the forces of the nation for the defence of the country, without distinction of race, classes or provinces.

Mr. CHURCH: I shall not detain the house for more than a few moments, but I should like to find out the principles upon which this bill is based. The leader of the opposition read the sections of the Militia Act in which there is a form of conscription, providing that the militia may be called out for service in or beyond Canada—I refer to sections 63, 64 and 66 of chapter 132 of the revised statutes of Canada. Under section 66 the governor in council may place the militia on active service, if parliament should be adjourned, and parliament must be summoned within fifteen days thereafter.

This matter was discussed in the special war session. Those who went to enlist at the Toronto armouries did not know what they were enlisting for. There was a good deal of confusion. They could not learn whether they were enlisting for home defence or for service overseas, because the government of the day had not asked for any contingents. I brought the matter up in the house last September and it was clarified then.

There is a great deal of dissatisfaction among the young people who want to serve their country. They do not feel it sufficient to fight a war for democracy or to fight a war to end wars, but they are willing to fight for freedom, for religion, for the mother country in her hour of peril from invasion. I contend the principle of the bill has never been explained properly. The governor in council is being given very wide powers, powers which in fact have never been given before anywhere. They are virtually taking all the powers exercised by the House of Commons; the executive can do as they please, over the heads of parliament and the people.

The governor in council would have absolute control of the press, despite the fact that we know that one of Hitler's proudest achievements in Germany has been the suppression of the press. In the dictatorships there is no such thing as a free press. That is a very dangerous situation. Much difficulty was experienced at the time of the great war in connection with defence regulations drafted by the governor in council. And yet, under sections 2 and 3 of the bill we are to have in Canada the principle of conscription of military, naval and air forces for home defence, whatever that is or means, and the governor in council will have arbitrary power to impose penalties, as any dictator would do, without trial, for the violation of any of these provisions. I contend that no such power as that, in the present situation, should be given to the governor in council, until the people of Canada know the meaning of this bill.

Let us remember that the principle of this measure aims at home defence, and that is exactly what Hitler was depending upon. In a speech he made some time ago at Berchtesgaden, quoted last fall by the Minister of Justice (Mr. Lapointe), he said he believed the dominions would not come to the support of the mother country. He believed they would insist upon their status, upon separation, and things of that kind. And so I say that the war is not going to be decided because of the passing of this bill. Its passage will not stop Hitler in his march to world hegemony. The defence of Canada will not be decided at Vancouver, at Quebec, at Montreal or Three Rivers. It will be decided in England, and on the English channel. Great Britain is now left all alone to carry on the fight. She is surrounded, because, as in the days of Napoleon, southern Ireland may be a back door through which Germany may attack Britain.

Even the most enthusiastic supporters of this measure cannot say that it will do one iota of good, so far as stopping Hitler is concerned. In my opinion this war will be decided in the next three or four weeks, long before a man can be trained under this act; and if Great Britain fails now, then civilization is at an end, and we can have nothing but darkness in Canada and in the world; life will not be worth living.

Everything we have in Canada we owe to the motherland. Everything we have by way of freedom, civilization and liberty we can thank Britain for. In matters of defence on land and sea and in the air we have looked to her. I do not believe the young people of Canada want to fight for home defence or act as policemen or home guards. It hurts recruiting a great deal to have it said that a contingent went to Iceland or is to go to Greenland's icy mountains. One contingent went to Siberia in the last war, and it was the recruiting for that contingent which helped to kill conscription and to kill

voluntary recruiting. Our young people will not give up their jobs for nothing. They want to take on Hitler and his vassals at the gates of Britain. They want to fight Hitler and the other dictator in foreign fields. They do not want to stay at home and act as guards, and all that kind of thing. We realize that home defence is important, but it is not nearly as important as service in the old country. We know that in England they are only twenty miles away from the guns. When I hear the hon. member for Laval-Two Mountains (Mr. Lacombe) and other hon. members criticizing what Great Britain has done, when I hear them say that Great Britain has let France down, I answer them in this way: it is one of the most outstanding events in all British history the splendid way in which Mr. Chamberlain gave able and inspiring leadership over a period of two years. And consider Britain's wonderful record so far in the great war; consider all that has been accomplished which it took so long to accomplish in the last war—unity of command on the western front; the instant action of the royal navy in taking command of the seas and of the royal air force in taking command of the air; the heroism of these forces, unparalleled in history; the close economic alliance with France; the swift mobilization of our man-power, all achieved quietly, smoothly and efficiently. Consider also the gigantic and difficult problems of home defence, the organization of supply, the suppression of profiteering, the control and equitable distribution of foodstuffs, the evacuation of civil populations. Is it any wonder that the whole civilized world has been thrilled by it? I say that this record has no parallel in history.

The mobilization of man-power has been mishandled by the government. All voluntary recruiting—on again, off again—is a half measure. As was urged last September by some of us on this side of the house, this measure of aid to Britain should have been brought down at that time. We are always too late in everything. The government have acted only after pressure to do their plain duty, that of executing their war trust. That should have been done without any urging on the part of the public or soldier organizations. But since parliament they have been forced to act, through weight of public opinion. Their policy in the last year has been nothing but one of following the line of least resistance. In fact, that seems to be the parliamentary religion in this House of Commons all the time. But after matters are stirred up, the government goes to work, and of course it will claim credit for stopping Hitler, if that can be done.

With regard to this meaningless bill, how are we going to stop Hitler with measures of this kind, or bills or blue books or orders in council? Hitler does not give a snap of his finger for any home defence measures like this we may take. We have four thousand miles of border, and no army, air force or navy of any kind to defend it properly. We seek to defend Iceland, but cannot even defend Canada or her cities or towns.

May I at this point offer a tribute to the glorious manhood which has enlisted in our army, our air force and our naval force. They have done glorious work, and history will so record it and have written a new page in courage and chivalry. But in its present defensive position Canada cannot protect its own territory, or its shores, as it is supposed to do under the useless statute of Westminster. In my opinion the government has been too late, not ten times, as I said the other day, but nearer twenty times too late in everything from recruiting an overseas force to the empire air scheme or equipment or trying to stop Hitler.

If the government intended that its policy should be one of home defence, then the country should have been informed of that policy last September. If Hitler comes up the St. Lawrence, or appears here in the city of Ottawa—and I may say the Germans are not very far from our shores now—and if Great Britain fails, what will our home defence amount to? Where are our barracks to come from? Where are we to get our uniforms, our equipment, our tanks, our rifles, our instructors to train this army or home guard? Where are our defences? How are we to drill this home army? Why, it will take two years to train it. We will require two years to get ammunition, clothing and equipment to make any pretence at defending our own shores, let alone that of the United States or Iceland. We talk of home defence only. That is what we seem to be doing, despite the fact that this war is going to be decided in the next sixty days over in the English channel and the mother country where our only home defence is.

Even if this bill is passed, we do not know to whom this country will belong at the end of the summer, or in a few weeks if Britain fails like France. I am surprised no proper steps were taken by the government until the house met and the matter was forced upon them in the house and by public opinion as a result of the fall of France. Too late again! Undoubtedly first of all the government will have to make a survey. No doubt that will be the basis on which the army will be formed. I protest against a condition whereby young people who want to fight, and who do not

want to stay home all summer, or enlist for home defence, must wait around until this survey is made and then be conscripted for a meaningless, useless thing called home defence. They want to go overseas. They want to help Great Britain, the mother country. They want to fight the enemy at Britain's gates, not here. As I view it, this bill is based on home defence and neutrality, the cardinal principles of our defence policy as given out last year. I believe it is closely involved with the policy of protecting north American neutrality, and we have an indication of that in the government's Iceland policy and their well known pan-American states' policies. How does it come about that our expeditionary force which enlisted to fight Hitler, has been sent up to the icy mountains of Iceland, and possibly to Greenland's icy mountains, when we have not enough men to protect the province of Ontario or, in particular, the Niagara district, if an invasion were attempted?

Our young people are not going to fight for any policy like that. I believe in conscription as a principle, if we are going to have conscription for all the people, not just some people while others are exempted. As a matter of fact, we would not have needed it, if the government had done its duty a year ago and since the war began. Under a voluntary system of enlistment we could have had 600,000 men from coast to coast, clothed and equipped for overseas service. But that was not done. This is a limited liability war, a secret war, and the government has been too late every time in what it has done. Delays are dangerous.

During the last election campaign ministers of the government from Quebec were saying, "We will never belong to an administration which brings about conscription for overseas service or conscription." Yet they do. In answer to me the Prime Minister himself said in the House of Commons that Canada never again would send an expeditionary force, and that any dictator or foreign danger to Canada from Europe was only minor in degree, and secondary in origin, and that we had enough domestic problems of our own first to settle. We heard the Minister of Justice and the Minister of Public Works say that so far as they were concerned they would resign and would not belong to a government which enforced conscription. Well, the very principle of conscription is in this bill here and now. All law is conscription. Probably not one-third of the population would send their children to school if the law were on a voluntary, and not a compulsory education basis. All public health laws and, in fact, all law constitutes compulsion. Every country in the world has conscription of man-power to-day except little Luxemburg, with its small number of two hundred and fifty men to meet the Hun at the gate, and Canada and the United States.

Hitler is not going to be beaten or destroyed by any stay-at-home force of home guards. It will take more than home guards to defeat him, or Mussolini, or Stalin. There are now six million men under arms in Germany, and if Britain fails overseas, no government in Europe or on the American continent will be able to withstand him any longer and home defence here will be at an end. Hitler is looking for world hegemony and domination. If Britain is defeated the next German demands will be made on Ottawa and Washington. And what are we doing here? We are sitting here debating a bill which, when section 2 is passed, will be of no effect whatever to stop the dictators, because section 3 makes section 2 inoperative, and man-power is only conscription for home defence, whatever that is.

Canada has not been pulling its weight in the boat, and Britain, to her sorrow, knows it. To-day Britain is surrounded and fighting this battle all by herself, with no proper help from those who have been so far only offering ringside advice, while it is the truth that others act the part of the Levite, passing by on the other side and refusing to assist France or any other small country except on a cash-and-carry basis. France failed because any help came too late.

The policy announced by the government at the last two sessions here has been one of isolation, status, and dependence on the Monroe doctrine and on pan-Americanism, but Washington appears now to be unable to do much at once to help, and the United States cannot protect even its own shores, let alone Canada, and stands idly by, while France is destroyed and the very existence of Britain threatened. Yet we have been told over and over again in this house that the United States would protect us from the dictators.

The young red-blooded Canadians I know are turning out in large numbers to join the air force. They are not going to enlist, conscription or no conscription, for home guard and policeman's or other stay-at-home duties when these dictators are at Britain's gate, when these barbarians who have destroyed France are preparing to destroy the mother country—the richest prize for which Hitler has been contending, the objective sought before him by the kaiser, by Bismarck, and three generations of Germans in the past seventy years: the despoiling of Britain forever and what she stands for—religion, freedom and liberty.

This bill does not commend itself to the wisdom and judgment of the country. The last three years have seen nothing but a series of wasted opportunities all along the line. We have been too late on many occasions; we were too late with the aid force plan; we are too late as regards the purposes of this bill, or munitions, or food, or clothing, or recruiting. The bill provides no more than a mere semblance of conscription; it is a useless, meaningless thing. We have discussed this matter before, and I have asked the government what is their plan. Apparently one part of it is a censorship of the press of this country which will prevent them doing their duty in this great emergency. When all is said and done, the press is the protector of the rights of the citizen. The acid test of the effectiveness of a newspaper is how it reports the House of Commons. We find this session that the chamber might as well have met in secret except for the treatises which have been read here daily regarding the principle of the war. It is a fundamental tenet of democracy that the press has a status in this country, and that in a double sense: it is an intermediary between the government of the day and the people, and it provides a channel whereby the people may know what is going on with regard to the war effort of the government. The press is the only means whereby the man in the street can have his grievances remedied, and the only place where people can learn what are the policies of the government and the opposition. I protest against giving the government power by order in council to abolish the freedom of the press, to impose a censorship on all the editors in the country, and to limit their usefulness. Criticism is a tonic. Our newspapers did great work during the last war, not least in upholding the morale of the people. Few of them did not help the government and fulfil their trust well.

The government of the day has been given wider powers by section 2 of this bill than any of its predecessors. I do not believe that the people are at all satisfied with the bill, and I again protest against giving the governor in council such powers. If the house is not to rise to go to another place I should like to add a few other remarks. Is the committee now to rise?

Mr. MACKENZIE KING: I hope we shall be able to get through with this bill before six o'clock—if that is what my hon. friend means. If we cannot do so, I would ask that the house consider sitting after six, because we shall not be meeting to-night. I think we ought to get through with this bill to-day.

The CHAIRMAN: Shall section 2 carry?

Mr. CHURCH: If it is the desire of hon. members to rise, I am satisfied. I want to help all I can. I have some real objections, though, to this procedure by order in council. I saw the result of it all in the last great war. It hurt recruiting, it hurt Canada's effort, it led to conscription. The censorship which was laid on the press was not in the best interests of the country or of the conduct of the war. I believe that had the government of the day properly carried out a campaign of voluntary recruitment, they would have had no occasion in 1914-18 to force anybody to do his duty.

The menace of the dictators has been with us for a long time. Could the government not have foreseen nine months ago what might happen to France? They have been getting advice continuously from the British government. They knew that Hitler had five or six million men in arms. They knew that France was holding the Maginot line almost alone, and they should have known that neither the Maginot line nor any other fortification will last forever. Yet what did they do? They would not pursue a policy of adequate recruiting, although, as soldiers' organizations have shown, they could have enlisted five or six hundred thousand men.

There is no desire on anyone's part to do other than encourage and help the government. Probably other speakers wish to contribute to this discussion, and I will only repeat my protest against this way of doing business, by giving to the governor in council such wide powers to impose rules and penalties and all that kind of thing.

Mr. GAUTHIER (Translation): Mr. Chairman, I have only a few words to add to the remarks I made yesterday evening. I had asked to be granted a short delay, a few hours in which to consult my constituents and I have done so with the kind assistance of my wife. Their reply was as follows: Provided the wording of the bill were such as to give positive assurance that it granted powers to be exercised solely in Canada, I should vote in favour of the measure. I am happy to have been able to consult my electors. I owed them that much because, if I consider them intelligent at election time, I still think them intelligent enough to have faith in them and to consult them while I represent them in this house.

Mr. BLACKMORE: Would it be in order to suggest to the Prime Minister that we adjourn at the regular time, meet again at eight o'clock and carry on to-night, instead of continuing after six o'clock? We of this

group have not counted upon having the Prime Minister keep the committee in session after six o'clock in order to finish this debate.

An hon. MEMBER: Let us carry the bill now.

Mr. BLACKMORE: There are several things I wish to say about it.

Mr. MACKENZIE KING: I do not wish to crowd the committee in any way, but may I say to my hon. friends that this evening, when we get through with the house, the cabinet will meet and will be in session because of the matters we have to consider, probably from eight o'clock or eight-thirty until eleven or twelve o'clock to-night. That was why I hoped the house might see its way to get through the measure by continuing after six o'clock. If, however, hon. members feel that they have things which they must say I think we ought to adjourn at six o'clock and go on to-morrow. I should, however, very much like to have this measure go through to-day, for reasons that must be fairly evident.

Mr. BLACKMORE: I think probably it would be wise in the circumstances to adjourn and go on to-morrow.

Mr. MACKENZIE KING: I cannot be responsible for what may happen to-morrow or for the need there may be for this measure to-morrow. I say to the house at the moment that I wish very much I had some powers under this measure now with respect to some action that I should like to take this very afternoon. However if my hon. friend wishes to wait until to-morrow that is his privilege.

Mr. HANSON (York-Sunbury): I think this debate should be concluded as soon as possible but after what the minister said over the air last night in French to his compatriots in the province of Quebec there does not appear to be very much necessity for this bill being put through to-day. I have just seen the translation of what he said. You cannot ride two horses at the same time.

Mr. POWER: The Minister of Justice (Mr. Lapointe) is not here, but I have some knowledge of what he said. As I recollect it, the Minister of Finance (Mr. Ralston) made a statement over the radio which he hoped would prevent the country from being unduly alarmed, and as I understand it the Minister of Justice gave a translation of the same statement in French.

Mr. HANSON (York-Sunbury): The translation I saw—

Mr. CLEAVER: Withdraw.

Mr. HANSON (York-Sunbury): Who said withdraw?

[Mr. Blackmore.]

Mr. CLEAVER: I did.

Mr. HANSON (York-Sunbury): Keep your seat. You are not in this.

Mr. POWER: I think my hon. friend would be the first to appreciate the motive of both ministers in saying that they hoped the country would not imagine all sorts of things were going to happen immediately upon the passing of this measure. They tried to give the country a note of assurance, which I think was very much needed in view of the rumours that were started about what was to be done under this measure.

Mr. HANSON (York-Sunbury): I am bound to say that the piece I saw was taken out of its context, and I know how dangerous that may be.

Mr. POWER: Has the hon. member got it there?

Mr. HANSON (York-Sunbury): No; but the inference was that the minister was making one statement in this house and a statement of an entirely different kind outside, and I wondered about that.

Mr. POWER: In the minister's absence I undertake to deny anything of the kind, no matter what my hon. friend saw.

Mr. HANSON (York-Sunbury): I am not in a position to enter into a controversy about it, but that was the impression left on my mind. I repeat that I think this bill should go through and I am willing to expedite its passage. Nobody can say to the contrary. What I said this afternoon I thought I was in duty bound to say, and I am not retracting any part of it. This bill ought to go through and the government should give evidence of its bona fides by acting under it. I have no desire to delay the passage of the bill, but I should not like to shut out discussion.

Mr. ROY: I should be pleased to give in English a translation of what was said on the radio last night by the Minister of Justice.

Mr. MacNICOL: Let us have it.

Mr. ROY: I will give the translation.

To appease all uneasiness and apprehension it only needs, I am sure, to give the assurance that these new powers, if granted to the government, will only be exercised if in the interest of the national security of Canada it becomes necessary to do so. This assurance, ladies and gentlemen, I give to you in the most emphatic way, and do not listen to rumours to the contrary as anyone who spreads these rumours is harming the national cause.

It is evident that my hon. friend's intention was to give his hearers the impression that this law might not be enforced.

Mr. POWER: That is your comment. That is not the translation.

Mr. ROY: I have it in French and I will read it to the house in French. I have quoted from the text.

Mr. POWER: I do not deny the text because I wrote it myself. I helped to write the text in English for the Minister of Finance to deliver over the radio in order to reassure people who might otherwise make a run on the banks. The statement had no connection whatsoever with the mobilization of man-power.

Mr. ROY: It was presented by the Minister of Justice over the radio in such a way as to tell the Quebec people that conscription may not be enforced in Canada if the need is not apparent. We understood it very well. The Minister of Justice was still gambling with words, and in such grave times as these I find it very strange that the men in whom this country should have confidence are still going out to make such statements—

Mr. POWER: On a point or order, Mr. Chairman, the hon. member is imputing motives to my colleague, the Minister of Justice, who happens to be absent from the chamber. I have told him on my responsibility as a minister of the crown that I had something to do with the writing of that speech and the words quoted by my hon. friend. It was a speech delivered by the Minister of Finance in the English language and a translation was made for the Minister of Justice in the French language. The statement referred only to matters relating to the financial provisions of the bill and was intended to quiet the uneasiness of persons who might have thought that their savings in the banks were to be taken by the government immediately. I will say more. If my hon. friend will go to the broadcasting corporation and get the text delivered by the Minister of Finance in English, he will find that it was identically the same statement as was delivered in French by the Minister of Justice. That ought to clear it up.

Mr. HANSON (York-Sunbury): It will with me.

Mr. ROY: Why was not the statement made in the House of Commons by the Minister of Justice last night?

The CHAIRMAN: The question is on the point of order. The rules of the house are well known. I cite paragraph 297 of Beauchesne's Parliamentary Rules and Forms:

> The imputation of bad motives, or motives different from those acknowledged, misrepresenting the language of another, or accusing him, in his turn, of misrepresentation, charging him with falsehood or deceit—

—is out of order. The hon. member should withdraw his statement.

Mr. ROY: No.

The CHAIRMAN: At any rate the statements made by the hon. member were out of order. It being six o'clock, I must necessarily report progress unless by unanimous consent the committee desires to carry on and pass the bill.

Mr. BLACKMORE: My opinion is that there is so much to be discussed it would be inadvisable to try to carry on past six o'clock.

The CHAIRMAN: Shall I report progress?

Some hon. MEMBERS: Carry on.

Mr. HANSON (York-Sunbury): If one hon. member objects, the committee cannot carry on.

The CHAIRMAN: Unless there is unanimous consent the rule is imperative.

Mr. COLDWELL: I have no objection to carrying on to-night and getting the business through, but last night, and in the press to-day, we were castigated for having called a recorded vote and so delayed the passing of the bill. This afternoon the Prime Minister and his colleagues on the government side called for a recorded vote, which delayed the proceedings by exactly the same length of time as the recorded vote did last night. But there is this difference, that last night eighteen voted for the point of view we took and to-day two voted in the opposite direction to the Prime Minister. I resent the remarks of the Prime Minister directed at this group last night because of our having asked for a recorded vote yesterday.

The CHAIRMAN: I am afraid the hon. gentleman is out of order. Unless the leader of the social credit group withdraws his opposition I have not the unanimous consent of the committee. Does the hon. gentleman withdraw his opposition?

Mr. BLACKMORE: Mr. Chairman, I certainly would not delay the proceedings of the house. We could go on until nine o'clock, but I can assure the house that what our group has to say will take but little more than three-quarters of an hour.

Mr. MACKENZIE KING: May I be allowed to say a word in reply to my hon. friend with respect to the vote this afternoon? I thought, and I still think, that the time has come when the country should know exactly where some men stand on all-import-

ant measures such as this. For the best of reasons I was not prepared to leave the impression that there were any members other than one or two who would support the amendment and who were not prepared to support the bill. For that reason I asked that the vote be taken.

The CHAIRMAN: Shall I report progress?

Mr. ADAMSON: Why not carry on for another hour?

Progress reported.

THE GOVERNOR GENERAL

ARRIVAL AT HALIFAX OF THE EARL AND COUNTESS OF ATHLONE—ARRANGEMENTS FOR CEREMONY OF INSTALLATION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with your permission and that of the house, I should like to make an announcement to the house in respect to a matter in which all hon. members are interested.

I am happy to be in a position to inform the house that the Governor General designate, the Right Honourable the Earl of Athlone, and Her Royal Highness the Princess Alice, Countess of Athlone, have arrived in Halifax this afternoon.

The Earl and Countess of Athlone were accompanied from England by the secretary to the Governor General, Sir Shuldham Redfern, the Honourable Ariel Baird, lady-in-waiting to her royal highness, and Captain T. R. C. Goff, aide-de-camp.

Upon arrival in Halifax this afternoon, the Earl of Athlone and the Princess Alice were met by the Under-Secretary of State, and by members of the staff of government house. His Honour the Lieutenant-Governor of Nova Scotia, the premier of the province, and representatives of the defence services and of the Royal Canadian Mounted Police, were also present.

The Earl of Athlone and her royal highness and their party are proceeding by special train to Ottawa. It is expected they will arrive on Friday morning at 11.30 o'clock, daylight saving time.

Upon the arrival of the special train at the station in Ottawa, the Governor General designate and her royal highness will be met by His Excellency the Administrator and members of the government. The ministers of foreign powers accredited to Canada, the commonwealth representatives, the mayor of Ottawa and the members and associate members of the defence council will also be present.

In view of the gravity of the international situation it has been thought appropriate that the ceremonial features in more normal times associated with the installation of governors general should be reduced to a minimum. Accordingly, arrangements have been made for the installation and swearing-in of the Earl of Athlone to take place immediately following arrival in the capital. The official party will proceed direct from the railway station to the senate chamber where the ceremony will take place at twelve o'clock noon.

Hon. members and others who are to be invited to the ceremony of installation, will shortly receive printed copies of an official programme which has been prepared for the occasion.

The reason that I have made no special mention of hon. members being present at the station is that, as the installation ceremony is to take place in the senate chamber, probably most hon. members will prefer to remain at the parliament buildings and have their places in the senate when the governor general designate arrives.

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

Thursday, June 20, 1940

The house met at three o'clock.

RAILWAYS AND SHIPPING

APPOINTMENT OF COMMITTEE ON ACCOUNTS AND ESTIMATES OF GOVERNMENT OWNED TRANSPORTATION LINES

Hon. C. D. HOWE (Minister of Transport) moved:

That standing order 63 of the House of Commons, relating to the appointment of standing committees of the house, be amended by adding to the standing committees of the house for the present session a standing committee on railways and shipping owned, operated and controlled by the government, to which will be referred accounts and estimates and bills relating thereto of the Canadian National Railways, the Canadian National (West Indies) Steamships, and Trans-Canada Air Lines for the present session, for consideration and report to the house; provided however that nothing in the resolution shall be construed to curtail in any way the full right of discussion in committee of supply; and that the said committee consist of Messrs. Bercovitch, Black (Cumberland), Bradette, Diefenbaker, Donnelly, Dubuc, Ferland, Gray, Hansell, Hanson (Skeena), Harris (Danforth), Hill, Howden, Howe, Lapointe (Lotbinière), Lockhart, MacInnis, McCulloch, Maybank, Parent, Ross (Middlesex East), Sanderson, Sissons.

Motion agreed to.

Hon. J. L. RALSTON (Minister of Finance) moved:

That the estimates on railways and shipping included in the main estimates for 1940-41,

tabled in the house, be referred to the standing committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

MUNITIONS AND SUPPLY

TABLING OF LIST OF DEPARTMENTAL HEADS AND KEY MEN

Hon. C. D. HOWE (Minister of Munitions and Supply): As requested by the hon. member for Waterloo South (Mr. Homuth) I wish to table a list of the officers of the Department of Munitions and Supply charged with the purchase of materials, together with their telephone numbers, the location of their offices and their positions prior to entering the service of the department. I should like to ask the privilege of having this statement published in *Hansard*.

The statement follows:

DEPARTMENT OF MUNITIONS AND SUPPLY

DEPARTMENTAL HEADS AND KEY MEN

Position—Name	Telephone	Location—Pre-War Occupation
Deputy Minister		
G. K. Sheils	608	385 Wellington St., Ottawa—Ass't General Manager, General Steel Wares Limited, Toronto, Ont.
Executive Commitee		
Chairman		
*W. C. Woodward	3671	385 Wellington St., Ottawa—President, Woodward Stores Limited, Vancouver, B.C.
Members		
*R. P. Bell	2133	385 Wellington St., Ottawa—Director, Pickfords Black Limited, Halifax and other companies.
*Henry Borden, K.C.	3498	385 Wellington St., Ottawa—Barrister, Toronto.
*W. A. Harrison	708	385 Wellington St., Ottawa—Managing Director, Estabrooks Limited, Saint John, N.B.
*R. A. C. Henry	3728	Justice Building, Ottawa—General Manager, Beauharnois Power Corporation, Montreal.
*G. W. Scott	3498	385 Wellington St., Ottawa—Chartered Accountant, Montreal.
*E. P. Taylor	708	385 Wellington St., Ottawa—President, Canadian Breweries Limited, Honey Dew Limited, Orange Crush Ltd., Toronto.
Acting Secretary		
A. J. Martin	708	385 Wellington St., Ottawa—President, General Skycraft Limited, Montreal.
Secretary and Comptroller		
L. R. Thomson	2391	385 Wellington St., Ottawa—Consulting Engineer Montreal.
Ass't Sec'y and Comptroller		
A. S. Tindale	753	385 Wellington St., Ottawa—Chartered Accountant, Toronto.
Executive Assistants to the Deputy Minister		
J. P. Pettigrew	608	385 Wellington St., Ottawa—General Manager, Windsor Fisher Limited, Montreal.
W. D. Low	608	385 Wellington St., Ottawa—Purchasing Agent, C.N.R., Montreal.
Legal Department		
J. deN. Kennedy	2503	385 Wellington St., Ottawa—Barrister, Solicitor, Toronto.
Liaison Officers		
New York		
*J. B. Carswell		New York—Retired, formerly President, Burlington Steel Co., Hamilton.
London		
*C. A. Banks		London—Managing Director, Bulolo Gold Dredging Limited.
Labour Liaison		
H. B. Chase	3560	385 Wellington St., Ottawa—Canadian Vice-President, Brotherhood of Locomotive Engineers.
Director of Production, Munitions and Gauges		
*W. F. Drysdale	601	385 Wellington St., Ottawa—Vice-President, Montreal Locomotive Works.

* Serving without salary.

DEPARTMENT OF MUNITIONS AND SUPPLY—*Continued*

DEPARTMENTAL HEADS AND KEY MEN—*Continued*

Position—Name	Telephone	Location—Pre-War Occupation
Director of Production, Munitions and Gauges—*Con.*		
Assistant—Munitions W. S. Lecky	3584	Supreme Court Bldg., Ottawa—Manager Holman's Machines, Montreal.
Assistant—Gauges Dr. C. A. Robb	497	Supreme Court Bldg., Ottawa—Professor Mechanical Engineering, University of Alberta.
Director of Production, Chemicals and Explosives J. R. Donald	2087	Elgin Building, Ottawa—J. R. Donald Co., Montreal.
Assistants A. F. McCall	3768	Elgin Building, Ottawa—Director, Drummond McCall & Co. Limited, Montreal.
Dr. J. H. Ross	3768	Elgin Building, Ottawa—Director, Forest Products Laboratory, Montreal.
Director of Production, Aircraft W. J. Sanderson	2133	385 Wellington St., Ottawa—President, Fleet Aircraft Limited, Fort Erie, Ont.
Assistant—Executive W. S. Goodeve	3461	385 Wellington St., Ottawa—Motor & Coach Limited.
Assistant—England J. T. Asquith	....	England—Export Sales Manager, British Machine Tool Company.
Assistant—Raw Materials J. C. Ruse	3494	385 Wellington St., Ottawa—Contractor, Diamond Drilling and Exploration.
Assistant—Building *A. K. Tylee, O.B.E.	3573	385 Wellington St., Ottawa—Ex Air Commodore, R.C.A.F.
Director of Construction, Defence Projects *D. Stairs	2718	385 Wellington St., Ottawa—Chief Engineer, Montreal Construction Co. Ltd.
Assistants E. P. Murphy	407	385 Wellington St., Ottawa—Construction Engineer, Department of Transport.
L. C. Jacobs	407	385 Wellington St., Ottawa—Engineer, Montreal Power Corporation of Canada.
Director of Shipbuilding D. B. Carswell	3309	385 Wellington St., Ottawa—Marine Superintendent, Department of Transport.
Director of Plant Survey and Production G. Ogilvie	2936	Supreme Court Bldg., Ottawa—Department of National Defence.
Assistant—A. T. J. Watts	2936	Supreme Court Bldg., Ottawa—Department of National Defence.
Purchases Director of Purchases *J. P. D. Malkin	3616	385 Wellington St., Ottawa—Director of W. H. Malkin & Co., B. C. Packers and other companies, Vancouver, B.C.
General Purchasing Agent J. Eaton	3291	385 Wellington St., Ottawa—Assistant to General Purchasing Agent, C.P.R.
Assistant General Purchasing Agent L. L. Price	400	385 Wellington St., Ottawa—Purchasing Agent, C.N.R., Montreal.
Aircraft Section— D. P. Buckley	406	385 Wellington St., Ottawa—Department of National Defence.
Barrack Stores Section— T. A. McCormick	3414	385 Wellington St., Ottawa—Purchasing Agent, Canada Creosoting Company.
Fuel, Paints Section— W. J. Atkinson	3001	385 Wellington St., Ottawa—Purchasing Agent, C.N.R., Toronto.
Machinery, Tools— C. P. Morrison	2303	385 Wellington St., Ottawa—Radio Department, C.N.R.

* Serving without salary.

DEPARTMENT OF MUNITIONS AND SUPPLY—*Continued*

DEPARTMENTAL HEADS AND KEY MEN—*Continued*

Position—Name	Telephone	Location—Pre-War Occupation
Purchases—*Con.*		
Naval Stores—		
E. S. Hoare	2356	385 Wellington St., Ottawa—Department of National Defence.
Clothing—		
G. A. Briggs	3447	385 Wellington St., Ottawa—Department of National Defence.
Food—		
W. E. Wilford	2943	385 Wellington St., Ottawa—Commissary Purchasing Agent, C.N.R., Toronto.
Mechanical Transport—		
C. B. Doheney	504	385 Wellington St., Ottawa—Purchasing Agent, C.N.R., Toronto.
Building Supplies—		
C. E. W. Morshead	754	385 Wellington St., Ottawa—Purchasing Agent, C.N.R.
Medical—		
A. P. Labelle	648	385 Wellington St., Ottawa—Wholesale Drug Supplies.
Cost Investigation		
F. E. Wood	3485	385 Wellington St., Ottawa—National Steel Car Corporation—Cost Accountant.
Personnel		
W. C. McEachern	2300	385 Wellington St., Ottawa—Post Office Department.
Transport Controller		
B. S. Liberty	3569	385 Wellington St., Ottawa—C.N.R.
Treasury Liaison Officer		
W. Lauchlan	3485	385 Wellington St., Ottawa—Chief Treasury Officer, Dept. of Finance.
Publicity		
R. Thomson	2289	385 Wellington St., Ottawa—Public Relations Counsel, Montreal.
Statistics		
H. G. Caldwell	3517	385 Wellington St., Ottawa—Professor Queen's University.
Assistant R.A.C. Henry		
D. G. Mackenzie	3728	Consultant Economist.
Files, Mail and Messenger Service		
W. J. Neville	751	385 Wellington St., Ottawa—Canadian Pacific Railway, Montreal.
Contract Investigator		
J. A. Marsh	2289	385 Wellington St., Ottawa—M.P. and General Purchasing Agent, Canadian Porcelain Co., Hamilton.
Overseas Accounting		
A. R. Gilchrist	2871	385 Wellington St., Ottawa—North End Motors Limited, Office Manager.
Technical Consultants		
Leather		
*A. Davis	....	Newmarket, Ontario—President Davis Leather Co., Newmarket.
Petroleum		
*F. C. Mechin	3109	385 Wellington St., Ottawa—General Manager, Imperial Oil Refineries Ltd., Montreal.
Steel		
*C. W. Sherman	....	Hamilton—President, Dominion Foundries Ltd., Hamilton.
Controllers		
Steel		
H. D. Scully	....	Connaught Building—Commissioner of Customs.
Metals		
*G. C. Bateman	....	Toronto—President, Canadian Institute of Mining and Metallurgical Engineering Institute, Toronto.
Timber		
*H. R. McMillan	....	Vancouver—President, H. R. McMillan Export Co., Vancouver.

* Serving without salary.

DEPARTMENT OF MUNITIONS AND SUPPLY—*Concluded*

DEPARTMENTAL HEADS AND KEY MEN—*Concluded*

Position—Name	Telephone	Location—Pre-War Occupation
Controllers—*Con.*		
Oil		
*Geo. R. Cottrelle..	....	Toronto—Director, Canadian Bank of Commerce.
Economic Adviser		
S. W. Fairweather..	....	Justice Building—C.N.R.—Director Bureau of Economics.

* Serving without salary.

LABOUR CONDITIONS

REGULATION DURING PERIOD OF WAR FOR AVOIDANCE OF INDUSTRIAL STRIFE AND ACCELERATION OF ESSENTIAL PRODUCTION

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to table copy of order in council P.C. 2685, approved by His Excellency the Administrator on the 19th June, 1940, containing a declaration by the government of Canada of principles for the avoidance of labour unrest and for the regulation of labour conditions during the war. This is a copy of the order which I mentioned on Tuesday last. It would have been passed on Monday had it been possible for me to be in council for a sufficient length of time that day; or on Tuesday, had it been possible to take up this matter then. It was passed yesterday.

Mr. MacINNIS: Would the Prime Minister have any objection to having that appear in the votes and proceedings to-morrow?

Mr. MACKENZIE KING: I should be very glad to have that done, though I may say to my hon. friend that it will appear in the *Canada Gazette* in any case. That may meet his wish, but it might as well appear in the votes and proceedings also.

Mr. HANSON (York-Sunbury): I would second the suggestion of the hon. gentleman. I can imagine no place more innocuous than the *Canada Gazette* from which to obtain information.

Mr. MACKENZIE KING: I had an eye to economy in the matter of extra printing. The press already have complete copies, and I have no doubt the contents of the minute of council will appear in the newspapers this afternoon or in any case to-morrow morning.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*GOVERNMENT ARSENALS, QUEBEC AND LINDSAY

Mr. BRUCE:

1. Are the government arsenals at Quebec and Lindsay being used to full capacity?

[Mr. Howe.]

2. If not, what use is being made of them?

3. How many hands are employed?

Mr. POWER:

1. Quebec arsenal is being utilized to full capacity. Lindsay arsenal is being developed as a shell factory and as a rolling mill and foundry for the production of brass for small arm ammunition production. The rolling mill and foundry are operating to full capacity and additional equipment, it is expected, will be added. The machines and equipment for the shell plant are now being installed and a complete plant will be in operation by the middle of July.

2. Answered by 1.

3. Not in the public interest to give this information.

NOVA SCOTIA AND NEW BRUNSWICK COAL SUBVENTIONS

Mr. BROOKS:

1. What amount of money has been paid by way of subventions in assisting the coal industry in Nova Scotia and New Brunswick during the past fiscal year?

2. Has further assistance been given this industry since the beginning of the war by payment of insurance on ships and cargoes taking coal up the St. Lawrence river?

3. If so, how much has been paid on account of coal shipped (a) from Nova Scotia, (b) from New Brunswick?

Mr. CRERAR:

1. Nova Scotia, $3,229,223.83; New Brunswick, $46,218.93.

2. No.

3. Answered by 2.

CANADIAN NATIONAL RAILWAYS—ST. MALO SHOPS

Mr. PARENT (Quebec West and South):

1. How many years have the St. Malo shops in Quebec city been operating?

2. How many men have been employed each year?

3. What is the amount of salaries paid each year since the opening of the shops?

4. What is the original cost of the St. Malo shops?

5. At what price are the buildings listed on the books of the Canadian National?

6. At what valuation is the land carried on the books of the Canadian National?

Mr. HOWE:

1. Twenty years.

2. Average number of employees from earliest year readily available: Year—1924, 510; 1925, 473; 1926, 483; 1927, 470; 1928, 482; 1929, 490; 1930, 479; 1931, 463; 1932, 357; 1933, 350; 1934, 342; 1935, 344; 1936, 352; 1937, 399; 1938, 366; 1939, 352.

3. Total salaries paid from earliest year readily available: Year—1924, $685,527; 1925, $655,676; 1926, $667,832; 1927, $660,852; 1928, $704,264; 1929, $769, 092; 1930, $729,063; 1931, $657,182; 1932, $390,844; 1933, $362,524; 1934, $366,620; 1935, $405,531; 1936, $436,032; 1937, $535,023; 1938, $513,551; 1939, $526,594.

4. Original cost as of March 31, 1917, $1,872,780.32; cost as of December 31, 1939, $2,793,471.56, as follows: (a) Land, $225,141.32; (b) Buildings, $1,380,218.22; (c) Trackage, sundries, etc., $255,352.24; (d) Machinery, equipment and tools, $932,759.78; total, $2,793,471.56.

5. See answer No. 4, item (b).

6. See answer No. 4, item (a).

NOTE: St. Malo shops are the property of the crown, but vested in the Canadian National management for purposes of operation.

QUESTION PASSED AS ORDER FOR RETURN

ARMY, NAVY AND AIR FORCE—CHAPLAINS

Mr. CHURCH:

1. How many chaplains are there, by provinces, and of what religious denominations?

2. What are the religious denominations by provinces, of enlisted soldiers?

3. Who are the chaplains of the Royal Canadian Air Force, by provinces?

4. Will consideration be given to separate chaplains for the Royal Canadian Air Force?

5. How many officers and men have enlisted in the Royal Canadian Air Force, by provinces?

6. How many officers and men have enlisted so far, and what are the number of chaplains and their religious denominations, in Canada, for the army, navy, and air force of Canada?

THE BUDGET

ANNOUNCEMENT AS TO PRESENTATION ON MONDAY NEXT

On the orders of the day:

Hon. J. L. RALSTON (Minister of Finance): A few days ago the Prime Minister (Mr. Mackenzie King) announced that the budget would be delivered on Friday. I regret very much that because of important and imperative matters which have intervened that has been found impracticable; but I can assure the house positively that the budget will be presented on Monday.

NATIONAL DEFENCE

REQUEST THAT SOLDIERS BE GIVEN LEAVE TO ATTEND CERTAIN CELEBRATIONS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to direct a question to the acting Minister of National Defence (Mr. Power). I have received letters from some of the camps in which it is pointed out that during the last war soldiers in camp were allowed to return home for two or three days to attend and take part in certain celebrations such as the twelfth of July and the seventeenth of March. I would ask the minister if that policy could be continued, because I believe it aided recruiting in the last war, and I think it is in the public interest.

Hon. C. G. POWER (Acting Minister of National Defence): My hon. friend was good enough to give me notice of this question. I have referred it to the officers of the department but as yet have not received a definite reply. I would suggest to my hon. friend, however, that when men are in training in Halifax, for example, it is a pretty large order to allow them to return to Vancouver for the celebration of the twelfth of July or the seventeenth of March. If my hon. friend will reconsider his question and put it in another form it might be more acceptable to the technical officers of the department.

THE MINISTRY

SUGGESTION AS TO FORMATION OF NATIONAL GOVERNMENT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Within the hour it has been announced that the President of the United States has called into his cabinet Mr. Stimson and Mr. Knox, two pronounced Republicans of the country. Having regard to the action taken by this great man and this great nation I suggest to the Prime Minister (Mr. Mackenzie King) that this might be an additional incentive to him to form a truly national government in Canada.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am always pleased to receive suggestions from my hon. friend. I intimated the other day that I had this matter under consideration and a little later would make an announcement to the house as to any changes or additions in the personnel of the cabinet. That undertaking will be carried out.

FOREIGN EXCHANGE CONTROL

INQUIRY AS TO TABLING OF ORDERS IN COUNCIL AND AMENDMENTS

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Some days ago the Minister of Finance (Mr. Ralston) told me that I would be given the orders in council, classified with amendments to date, respecting the foreign exchange control board. Will the minister be good enough to let me have these before he leaves the department?

Hon. J. L. RALSTON (Minister of Finance): I can assure my hon. friend that that will be done. As a matter of fact I gave instructions at the time, and they were in process of consolidation then. I shall be glad to see that my hon. friend is furnished with them. It may be that they will not be completely consolidated, but I shall give him the amendments, even if they are not all placed together.

Mr. POULIOT: Thank you.

EMERGENCY POWERS

PROVISION FOR MOBILIZATION OF HUMAN AND MATERIAL RESOURCES IN THE PRESENT WAR

The house resumed from Wednesday, June 19, consideration in committee of Bill No. 43, to confer certain powers upon the governor in council for the mobilization of national resources in the present war—Mr. Mackenzie King—Mr. Vien in the chair.

On section 2—Special powers of the governor in council.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Chairman, last night after bringing to the attention of the house my desire to speak on the measure it was my misfortune to have it become necessary to delay the passage of the bill one day. May I apologize for this, to the Prime Minister (Mr. Mackenzie King) and to hon. members. It was a matter over which I had no control at the time. May I draw the attention of hon. members to the fact that yesterday members of the social credit group said nothing respecting this bill, and consequently they used no time of the committee. On the other hand the leaders of the two larger parties in the house occupied the time somewhat freely. I believed it was only fair that other parties should be permitted to express their opinions, and that their voices should be heard. That must be my explanation for the unfortunate occurrence which led to the delay for one day of the passage of the bill.

Mr. POULIOT: Say it with a smile.

[Mr. Mackenzie King.]

Mr. BLACKMORE: I am not sure all hon. members realize that a bill such as the one before us is in fact a contract. This measure is a contract, and when hon. members vote for the bill they are in effect affixing to a contract the signatures of the people of Canada. Any one who signs a contract without first having read it through carefully, and without having weighed the meaning of the various clauses therein, may with justice be accused of rashness. Let us not be rash in dealing with this contract.

In this instance the Canadian people are asked to agree to give everything, now and hereafter. They are asked to give all their resources, financial, industrial and human, and they are asked to give a mortgage on their future. What are they promised in return? Victory?—perhaps. Yes, a chance at victory. Security now?—not by any means. Peace?—not at all. Surely it is becoming that we should change the wording of this contract, so that so far as possible we may guarantee to the people of Canada that they will get something out of it. Let us read and weigh these clauses before we sign.

The group to which I belong is eager to have this measure passed. They are eager to go on with the war. They are eager to win the war. They are determined to win the war. As evidence of the fact that this group did not develop its ideas about winning the war within the last few days, may I have the indulgence of hon. members while I read a short quotation from an editorial which appeared in the Edmonton *Journal* some time before we came to Ottawa. This editorial, dated January 18, 1936, contains the following short paragraph:

> Mr. Blackmore stated that his group favoured "such steps on Canada's part as will render her powerful enough in all respects to plan an effective part in any world crisis with which the league of nations might be called upon to deal." That was why expenditures on military, air and naval forces were urged. "Is it right or just" the social credit leader asked, "that we should depend on Great Britain to defend us, or on the United States?" Surely there can be only one answer to his question.

I believe that is sufficient evidence that this group is sincere in its desire to prosecute the war with all possible expedition and effectiveness. If then we delayed the passage of this measure, a procedure which in some quarters was looked upon as being of such tremendous importance, I suggest we must have had good and sufficient reason for our action, and that that reason must have had to do with the carrying on of the war. Precipitate action is always likely to be dangerous. Impetuosity is no guarantee of infallibility. Time and again we have heard hon. members on the other side

of the house shout, "Let us get on with the war; let us get on with the war!" Very well, let us get on with the war, but let us make sure that we are prepared to go on with the war, and that we are going to attack in the right direction, so that in getting on with the war we shall have a chance of getting on with a possibility of victory.

Mr. POULIOT: You cannot blame them for saying what you now repeat.

Mr. BLACKMORE: Canada must take care not to create a set of circumstances which will weaken her for the future. We must have human strength, physically and morally. We must have financial strength. We must have the real wealth of resources and of industry. If this measure is not best designed to guarantee that those conditions shall obtain in Canada, then I say this is not a suitable measure.

In my opinion there are too many of us who hold the view that we are going to win or lose the war within the next two or three months. We may be committed to a war which will last ten or fifteen years, and we must govern ourselves as if that were so. A slight delay under such conditions is not going to be serious.

Why the breathless haste? Does the government want money? Is it anxious to be able to conscript financial wealth, so that it may get money? May I remind hon. members of the fact that within the last two or three weeks we have passed resolutions giving the government a billion and a half dollars. I should think that surely that would last them for a few days, at any rate, while we pass this measure. There should be no great necessity on that score.

Have the industries, have the mines, have the factories, have the farms of this country refused to cooperate in the production of the means of strength in this conflict? I have no evidence that that is so. Why, then, the breathless necessity to conscript them within an hour, or a day or two, and before we have had time to consider the bill?

Is the man-power of Canada failing to come forward in this hour of crisis? There is no evidence that such is the condition. So far as I know, recruiting has been reasonably good. I am informed that in the great province of Alberta, which extends over a distance of eight hundred miles, there are only six recruiting stations. Does that look as though the government had been very eager to get men, especially when during all these months it has stipulated that men pay their way to and from recruiting depots, even though they may have come long distances to enlist? I am told that there are only five recruiting stations in the great province of Manitoba, and only seven in the great province of Nova Scotia. During the last war recruiting sergeants were placed in every community. We really wanted men then, yet it was not deemed necessary to pass conscription at that time. Why the tremendous haste now?

The government already has tremendous power. Hon. members have held forth with great earnestness; I appreciate their zeal, but I wonder why this additional power is wanted now. It has been mentioned already that we have the War Measures Act, and I should like to read from paragraphs 4 and 5 of the terms of reference of Defence of Canada regulations, as follows:

> It is clear, therefore, that this statute confers upon the executive ample authority to take pretty well whatever action might be found to be necessary to meet the exigencies of war or other emergency. There is, however, one specific exception to this general rule, namely, finance. It seems clear that the defensive measures which would require to be taken in the event of an outbreak of war would immediately give rise to a need for specific legislation of a financial nature. We understand that the Department of Finance is examining this aspect of the question.

That particular passage in the War Measures Act which is referred to in the passage quoted is one of the reasons for our anxiety over the wording of this bill. Every other power, except that over finance, is guaranteed to the administration by the War Measures Act, which act no one has challenged. The other evening, with great anxiety of heart on the part of many of us, we solemnly passed a bill to amend the Department of Munitions and Supply Act. Section 3 of that bill reads:

> The minister shall examine into, organize, mobilize and conserve the resources of Canada contributory to, and the sources of supply of, munitions of war and supplies and the agencies and facilities available for the supply of the same and for the construction and carrying out of defence projects and shall explore, estimate and provide for the fulfilment of the needs, present and prospective, of the government and the community in respect thereto and generally shall take steps to mobilize, conserve and coordinate all economic and industrial facilities in respect of munitions of war and supplies and defence projects and the supply thereof.

How the administration could be given greater power than that is beyond me. Yet that power was given uncomplainingly. But we are told to-day that the country is in danger of going to wrack unless this bill is passed within a given length of time. Anyone who dares to rise in his place on the floor of this house and suggest that the passage of this bill be deferred is of course immediately looked upon as being something in the nature of an

enemy of his country. I do not see any particular reason for that. I am not impressed.

Do we want men? I am informed on reliable authority that under the Militia Act the government can conscript men for home defence. Yet the Prime Minister and at least one of his ministers have pointed out that this bill is to provide for the conscription of men, not to go overseas but for the defence of the home territory. Why all this haste to pass a measure which gives the government power which it possesses already under the Militia Act? We are told that should this bill not go through we will be running the risk of the Germans coming over and seizing the islands of St. Pierre and Miquelon, and probably doing a great many other things. I will agree that there is danger of that happening, but I ask in all seriousness if the passing of this bill a few hours earlier will put one man more, one rifle more, one tank more, one aeroplane more, or one ship more into action than would be put into action if its passage were deferred a day or two? I fail to see that it would, and I must say I have exercised myself with all care. People all over the country are asking: Why this bill? Is it to give the government power which it does not now possess? If that is the case, then the bill should point directly at the power which the government does not now possess, namely, the power over finance. As was clearly indicated in the passage from the defence of Canada regulations which I read, there is no specific mention in the War Measures Act of finance.

What did the governments do in the last war? What were the first measures put through? Here is one of the first actions that Great Britain took after the last war was declared. On August 6, 1914, the British government authorized the issue of currency notes, commonly known as Bradburys, which were nothing more or less than government money which had been created debt free. With that money Great Britain fought the war and was making splendid progress toward winning the peace when she was deluded into abandoning it. So freely did that money go into circulation and so splendidly did it work that in 1920, two years after the war was over, there were £354,000,000 of Bradburys in circulation in Great Britain. This money was working admirably and functioning as perfectly as any other pound note in any part of the British empire. That was the measure which Great Britain adopted at the beginning of the last war.

Why have we not had similar measures in this country? What did Canada do at the beginning of the last war? In 1914 this country passed the Dominion Notes Act. Hon. members can find details concerning this measure by turning to page 759 of the Canada Year Book for 1932. I shall not read the quotation which is most impressive and shows the vision and adherence to facts which existed among the men who began to fight the last war for us. In brief, the Dominion Notes Act gave the government power to create debt- and interest-free money without gold backing. Certain restrictions were enforced upon the amount which could be created. The astounding thing to-day is that there has been no permission to create any debt-free, interest-free money. In my judgment we should have been called upon to deal with a financial measure of that kind long ago.

Was the power used? I refer hon. members to the report of the royal commission on banking and currency in Canada. At page 22, paragraph 47, they will find that between 1914 and 1917 a total of $26,000,000 of money was printed without any gold backing or gold guarantee. That money was used for the discharge of government obligations. In other words, it was used by the government. That financial measure is a matter of record. The government thereby gained, free of debt, $26,000,000. What measure have we to-day which in any way compares with that measure? And if we have no such measure why should we not have such a measure? That has to do with finance.

Was the money sound money? Assuredly it was sound money. Did it cause inflation? There are a good many people in the Dominion of Canada who will maintain that it did cause inflation. They will say: In the last war prices of everything we had to buy went sky-high. Yes, and prices would have gone sky-high in this war without any printing of government debt-free money had not the War-time Prices and Trade Board been set up as a guardian to prevent just such a rise in prices. No one, therefore, has the right to attribute rises in prices in the last war to the fact that Canada printed $26,000,000 of debt-free money, or the fact that Britain used the Bradburys which were also debt-free government money.

What was the meaning of that $26,000,000 of debt-free money to the Canadian people? At the rate of three per cent, from the time it was issued right down to 1939, the interest on $26,000,000 would have amounted to around $17,160,000. That is the amount of money which was saved to the Canadian people by the financial measure which the government took in the first stages of the last war. Now when I ask for a specific mention in the bill of financial power to be given to the govern-

ment, I mean some such power as was exercised by the Canadian parliament and by the British parliament during the last war.

Some people will say: But that would cause inflation. Not to take up too much time I shall quote briefly the words of one whom I think we must all accept as an authority on finance, the Right Hon. Reginald McKenna, chairman of the Midland bank of England. Speaking to his directors at the beginning of the present year, with all the experience of the past war, of the post war period, and some experience of this war behind him, he used these words:

> Inflation, if it comes, will be due to the growth of consumption, civil and military together, beyond our capacity to produce.

Does that indicate, Mr. Chairman, that the printing of a government one dollar bill has a tendency towards inflation? This authority states distinctly that the only cause of inflation is the rise in prices which will result from having more purchasing power coming into the hands of the people with which to buy goods than there are goods to buy. In our country to-day there are numerous commodities of which we have so great an abundance that the people are unable to buy. Is it not clear that a great deal of money could be circulated among the people before there would be any danger of a rise in prices? Therefore, sir, we are not asking the government to do anything rash or unwise when we urge that something be inserted in the bill which will indicate that the government is to be given effective power over finance and will use that power for the people.

To-day our power to produce in Canada is almost limitless, and to the extent that it is not sufficient it could easily be made almost limitless. State money is safer to-day than ever it was before in history. Not only is state money safe to-day but I say to the Prime Minister, as the chief executive of this country, in all sincerity as one whom I believe he will feel free to consider his friend, that he will never be able to enable the country to reach its maximum war effort until he adopts the method of creating money debt free to the extent which the productive and consumptive power of this country will justify. We are not advocating any inflationary method, but we are advocating such a measure as will enable this country to produce to its capacity and to build up a machine such as it was designed by providence to be able to build up.

Mr. POULIOT: It cannot be built up with debt-free money which is not redeemable and is worth nothing.

Mr. BLACKMORE: If the hon. gentleman will come around to my office afterwards I shall be glad to give him some lessons. He has not even got into the primary on money matters. I would have to give him a whole lot of kindergarten lessons before he would understand anything about it.

Mr. POULIOT: That is why it all goes under my feet, not over my head.

Mr. BLACKMORE: To undertake to talk to my hon. friend about money would be as absurd as to try to teach grade 12 algebra to a pupil who had not passed grade 5 arithmetic.

Mr. POULIOT: Let us pass an act of parliament declaring that my hon. friend is a god.

Mr. BLACKMORE: We are asking the government, if it really intends to take more power over finance than is given to it under the War Measures Act, to tell us so to-day, and we offer this suggestion in all sincerity to the Prime Minister.

Mr. MACKENZIE KING: The only answer I could make to my hon. friend is that we will take the matter under consideration.

Mr. MacNICOL: You have got a lot under consideration.

Mr. BLACKMORE: If we were asked to sign a contract with a machine company or any other kind of company, and we asked the person who was trying to get us to sign the contract to specify the meaning of a certain provision in the terms of the contract and he told us "that is under consideration", I am sure none of us would sign the contract. We should want it plainly stipulated in the contract what was meant so that when we affixed our signature to the contract and the salesman affixed his, we should have a contract that made plain the intent both of the one who signed and of the one who sold. We are not satisfied with the Prime Minister's explanation. He may have reasons for being vague, but we have our reasons for asking that he be specific.

If the Prime Minister is willing to accept a suggestion from me I would submit that the bill be amended. This may seem presumptuous but it will not seem so in the course of twenty years when people have learned to look upon things in a little more realistic fashion; and perhaps long before twenty years have passed it will seem a very sound thing to do. The amendment which we should like to see the Prime Minister make to this bill would be something like this:

That section 2 be amended by inserting the following words after the word "requiring" in line 4 of the section: "the Bank of Canada

to finance all war effort, and requiring all corporations, industries, financial institutions and all," and then continue with the words of the section. If the Prime Minister would accept such an amendment we believe that the bill would not be in any way out of harmony with the impression which he endeavoured to give the country. The Prime Minister, I believe, and his ministers have endeavoured to give the people of this country the impression, and I think honestly and sincerely, that they do intend to use to the full the financial strength of Canada. If that is really so, and if this measure is intended to confer upon the Prime Minister power to do so, there can be no incongruity and no disharmony in his so amending the measure as to specify in the contract itself just what the contract means. Would the Prime Minister be willing to entertain a suggestion like that from us?

Mr. MACKENZIE KING: Has my hon. friend finished his speech?

Mr. BLACKMORE: Well, I should like the Prime Minister to make an announcement in this connection. I shall have something more to say in case the Prime Minister—

The CHAIRMAN: It is not in order for an hon. member to ask by way of cross-examination what the government intends to do, or in the course of his speech to put a question to another hon. member. The hon. gentleman should conclude his speech, and other hon. members will then make remarks if they deem it advisable; but it is not in order to interrupt one's speech to put a question to another hon. member, and particularly to a member of the government.

Mr. POULIOT: I rise to a point of order. I do not find it fair to the committee—

The CHAIRMAN: Order. I have given a ruling, and it is not debatable.

Mr. POULIOT: There is no question of a ruling being given. You, sir, have not given a ruling, you have expressed an opinion, and I stand for the practice of the house.

The CHAIRMAN: Order.

Mr. POULIOT: You cannot change it.

The CHAIRMAN: Order. The hon. gentleman is out of order.

Mr. POULIOT: All right, all right.

The CHAIRMAN: The hon. member should not say it is "all right." It is most unseemly for a gentleman of the parliamentary experience of the hon. member for Témiscouata to reply to the chair in the way he has just done. The hon. member for Lethbridge has the floor.

[Mr. Blackmore.]

Mr. BLACKMORE: I apologize if I was out of order. I thought I had noticed that in committee, where there was a free discussion, hon. members were at liberty to ask a minister if he were willing to amend a resolution, rather than themselves to move an amendment. If I am out of order and if the Prime Minister would be out of order in answering, then I must take the next step, because I shall have to move an amendment unless something is done about this. I do not believe that as the contract stands it is sufficiently specific in its guarantee to the people who must sign it.

Mr. MACKENZIE KING: I cannot be bargained with upon the stand which hon. members will take concerning this measure. I regard this bill as the most important one which has been brought down in the present session. I believe that before many days have passed my hon. friend also will have reason so to regard it. If he wishes to withhold his support because the government is not prepared to bargain with him with respect to social credit, of course that is his privilege, but I hope he will see his way to give his support on the merits of the bill as it is, apart from anything else.

Mr. BLACKMORE: There is no desire on the part of any one of my group or of the hundreds of thousands in Canada whom we in this parliament represent to bargain with the Prime Minister. But there is a desire to come to an explicit understanding so that unfortunate recriminations and disappointments in the future will be avoided, so that we may be specific. We are not trying to bargain with the Prime Minister, and we are not saying that we will not support the bill as it stands to-day. We are simply taking the precaution to see to it that the contract is specific before we affix to it the seal of the hundreds of thousands of Canadian people whom we represent. That is our only object. If the Prime Minister desires not to say any more on it, I am going to move an amendment.

Mr. MACKENZIE KING: It is my hon. friend's right to move any amendment he wishes. All I would say to him is that the bill is almost literatum et verbatim in the language of the provisions of the corresponding act passed by the parliament of the United Kingdom. I have read the entire debate which took place in the British House of Commons. It was not thought advisable or necessary on the part of anyone at Westminster to suggest that conditions should be attached to the general powers which were being given to the government. The measure

sets forth certain enabling powers. These powers are broad enough to cover virtually anything which the government believes may be feasible and necessary under emergent conditions. My hon. friend says that under the bill as it stands we have no power to deal with finance. Surely finance is part of "the effective resources of the nation." This bill gives the government power to deal with finance as it deems it necessary and desirable, and to exercise its powers in relation thereto at any time. Surely nothing can be more comprehensive than that. But if my hon. friend asks me, as a condition of giving his approval to the bill, to insert some specific condition, and to say in advance whether it may be necessary or advisable to do the thing he suggests, I cannot accept that.

Mr. BLACKMORE: The mere fact that this bill is modelled upon an act of Great Britain does not greatly impress me. Somewhere in the British empire, somewhere among the Anglo-Saxon nations, the people must discover how they are to get around the difficulty which has paralyzed up to the present time the war effort of the whole Anglo-Saxon race and enabled Hitler to make us look like—I hesitate to express a comparison. We know that the war has cost us no end of treasure, a huge number of lives, and the greatest amount of anxiety we have had in our race's history. We feel the greatest apprehension for fear we shall not be able to come through; and there is a reason somewhere. That reason has paralyzed Great Britain as it is paralyzing us.

Mr. POULIOT: The hon. member should make his case.

Mr. BLACKMORE: This country of Canada, as one of the sister nations of the British empire, is best able to lead the way with a sane and realistic system of finance which will enable the empire to cope with the terrible foe which is standing over us like a colossus. I simply ask that we shall be realistic in our outook. I do not believe that up to the present time the British have been realistic.

Mr. MACKENZIE KING: May I be sure that I understand my hon. friend's reference to Hitler? Is he implying in what he is saying that Hitler, by the adoption of some particular financial system, has been able to do what he has done and make the rest of us look in the direction which he is indicating? That is what I would naturally assume from the hon. member's remarks although I hesitate to believe it.

Mr. BLACKMORE: I would rather suppose that the Prime Minister's well-known political acumen would naturally fit him to draw that conclusion and to make that implication and to use it. But all I chose to imply and to draw to the attention of the committee is, that Hitler has used some measure whereby he has enabled a nation, relatively small and weak in financial and other resources as compared with Canada, almost to dominate the world.

Mr. MACKENZIE KING: Does my hon. friend suggest that we should adopt Hitler's methods?

Mr. BLACKMORE: No, "my hon. friend" does not suggest any such thing. But I do suggest that we become realistic and adopt a measure which will enable us to deal with Hitler before Hitler blows us off the earth. Manifestly the measures which have been used up to the present time are not adequate, because throughout Canada to-day one finds paralysis and anxiety, insecurity and fear. All we are promised is limitless taxes, limitless, debt. The greater our war effort the larger our debt, with crippling interest and taxation for all generations. We are not promised that we are going to be able to produce freely of food and clothing and shelter and everything which makes a strong nation. We are not promised that we are going to be able even to produce human beings strong and manly and courageous and equal to such tests as we had in the last war. From one end of the country to the other we have poor wrecks where we should have splendid men and women. Why? Because of the inefficiency of an outworn and outmoded financial system.

And now this government is undertaking to fight this war, at the greatest crisis in the history of our nation and empire, with the same outmoded financial system which has proved so woefully inadequate to maintain the peace. All we are asking is that some effective and efficient financial method shall be employed which will enable this country to step out and gird herself for the conflict, with assurance that she is going to be able to use every man and every woman, every resource of every kind, to build up such a war machine as will enable her successfully to discharge her responsibility not only to her brothers and sisters throughout the Anglo-Saxon world to-day, but to the children yet unborn. We want such a financial system to be adopted. And we suggest, as a possible means of ensuring the adoption of such a system, this amendment.

I therefore move:

That section 2 be amended by inserting the following words after the word "requiring" in line 4: . . . the Bank of Canada to finance all war effort, and requiring all corporations, industries, financial institutions and all . . .

Mr. A. J. LAPOINTE (Matapédia-Matane) (Translation): Mr. Chairman, in these dark and tragic days I fully realize that action is needed rather than words. However, I should be failing in my duty and recreant to my trust were I not, during so important a debate as this one, to offer a few brief observations. Ever since the Great War I have held the view that Canada should no longer participate in European conflicts unless her own future were directly involved. This view I expressed in this house on March 31st, 1939, in the course of a full-dress debate on Canada's foreign policy. A few months, later, however, Europe was at war and Parliament, assembled in special session, decided almost unanimously Canada's entry into the conflict.

In order to avoid endangering Canadian unity and especially after the Prime Minister (Mr. Mackenzie King) had solemnly stated that so long as his government remained in power there would not be conscription for overseas service, I kept silent. I had confidence in him, because he had never deceived us. That is why, even to-day, he retains my confidence. In spite of the pressure of a few out-and-out imperialists who are more loyal to England than to Canada, in spite of the bitter insults and reproaches of those who found that he never did enough for the Empire, the Prime Minister has pursued our war effort, considerable as it has been, without the least harm to Canadian unity.

Mr. POULIOT: Hear, hear.

Mr. LAPOINTE (Matapédia-Matane): I, for one, consider that he deserves the gratitude of the whole country for the wonderful work he has accomplished. Had our conservative opponents been in power, we would already have conscription for overseas service and instead of our country being united and strong, there would be civil war in Canada to-day. Our country would now be an easy prey for the enemy.

During the last few months and especially the last few weeks war operations have been enormously extended and they have taken a turn which no one could have foreseen. Events have successively occurred with lightning speed. Our people are already worried and they are wondering what the future has in store for them. A good many of those who not long ago criticized us because we were bringing down large estimates for our defence now complain that we are not proceeding speedily enough.

In view of the gravity of the present situation, the government have decided to mobilize the entire man-power and material resources of the nation for the defence of our territory.

At the same time, they wish to maintain the voluntary system as regards enlistment for overseas service. May I be permitted, Mr. Chairman, to express my views on this subject? I feel that while permitting the enlistment of volunteers for overseas service, we should not further extend that system. Besides, as has been said on many occasions, what is needed overseas at this time is not men but war equipment matching that of the enemy. We should consequently direct our efforts toward the production of such modern equipment, and as speedily as possible, if we want to make a truly useful contribution to the allied cause overseas.

I consider, therefore, that our first duty at this time is to provide for our own defence. Preparedness is essential. Let us not forget that it was on account of unpreparedness that countries like Norway, Denmark, Holland and Belgium were engulfed. If France has been taken by surprise, it is because she has too long heeded the advice of some of her politicians who opposed her rearmament. She was unprepared to face the motorized and mechanized army of Germany. That is why, in spite of the indomitable gallantry and courage of her sons, we see her nearly dying to-day. In these tragic times we are perhaps liable to forget the heavy responsibilities that weigh upon every member of this house. It is no longer a matter of indulging in politics but of saving our country.

Mr. Chairman, I remember that when I was twenty years old the world was, as it is to-day, going through a most tragic period. The Great War was raging; Canada was calling upon her sons to defend democracy and suppress all wars. Like so many others, I donned the uniform and sailed because I believed I was helping a noble cause as well as serving my country. For over three years, I wore a uniform and for nearly fifteen months I served in the trenches as a private. Then came the day when a bugle call announced the armistice that ended the dreadful butchery. During that whole period we have been martyrs to a cause and we came back after having gone through an inferno. We were happy, nevertheless, for we had won the war. But the war that we had won at the cost of such sacrifices, politicians and statesmen have lost it and we are no better off than we were before. To-morrow, in recounting those events, historians will have the duty of allotting to each one his share of responsibility. For my part, I am still ready to serve, but above all for the defence of my country this time. That is why, at the beginning of

the week, even before I knew that the government were planning general mobilization, I offered once more my services, but this time, as I said, solely for the defence of my country. In a few days I shall have donned the uniform, and my greatest comfort will be the satisfaction of being once more useful to my country in her time of need.

Mr. RAYMOND (Translation): Before the bill is finally disposed of, I wish to add a few brief observations to those which I have already made, in order to define my position clearly.

The bill contains two important provisions. One of them confers upon the governor in council power to mobilize all material resources solely for the defence of Canada—this is a new power—while the other provision relates to the mobilization of men, for service in Canada only—a power which the government already possessed under the Militia Act.

With respect to the first category of powers, I have no objection in principle; there remains to be seen, however, how they will be exercised.

I have already advocated that the mobilization of material resources should precede the mobilization of man-power, and I was glad to hear the Prime Minister say that his primary preoccupation was to protect human life and that the first resources to be sacrificed should be the material ones.

The war of 1914 afforded the sad spectacle of numerous citizens eager to ask of those who had only their lives to offer to make the supreme sacrifice on the battle-fields of Europe, while they themselves, exempted from military service on account of their age, built up colossal fortunes which they took good care to invest in tax-free dominion bonds. Such a thing must not happen again

The second category of powers relate to the mobilization of human resources. These powers, as I have just stated, and even greater ones, are already contained in the Militia Act of Canada, and I have asked the government to state the reason for this provision. The Prime Minister replied that this bill makes it possible to allot to each citizen the task for which he is best fitted and in which he would be most useful to the country, having regard to the needs of production and of our national economy. This answer satisfies me. It is an improvement upon the Militia Act. Moreover, he emphasized the fact that this bill restricts the powers conferred upon the government with regard to mobilization of man-power, to the extent that such mobilization is not to be for service outside Canada.

Need I add that, opposed to voluntary participation outside the country, I stand all the more against compulsory participation. I am therefore pleased that the Prime Minister has specifically mentioned in a statute that this mobilization would be limited to service in Canadian territory. That was the object of the amendment I supported, last September, at the outbreak of war.

Now is such a mobilization necessary, as regards military service? I believe that we should have been furnished with more ample evidence of the fact that the voluntary enlistment system was no longer sufficient to ensure the safety of Canada.

I would like to affirm, however, if I may be permitted to do so, that compulsory mobilization for the defence of this country is not required, in my opinion which is based on history, because of the people of Quebec.

During the debate on the external policy of Canada, while voicing my opposition to Canada's participation in a war fought on foreign soil, I made the following statement:

> The Canadians of French origin are Canadians first; they are strongly bound to Canada, their mother country, and their only desire is to strive for her development in harmony and peace, with the protection of two mighty oceans and of the great American nation. They hate war but do not fear it when it is a matter of defending their own soil, as history will bear witness. Every Canadian citizen has the military obligation of defending the soil of his motherland, and those of the province of Quebec have never shirked that duty, nor shall they ever do so.

I would like to add that they shall discharge this duty without being compelled to by law.

In conclusion, Mr. Chairman, although I am opposed to Canada's participation in external wars, I wish to state that in view of the fact that this bill is exclusively concerned with the defence of Canada, on Canadian soil, I remain, as I have always been, a strong supporter of home defence in Canada, and that although I regret that this legislation is the result of our participation in a European war, which I objected to, I cannot assume the risk of refusing to the goverment the powers it deems necessary to ensure the safety of my country, to which I am more devoted than anyone. On the other hand, I would urge the government to show prudence and judgment in the exercise of these powers and, as regards military service, to exhaust all the possibilities of the voluntary enlistment system before resorting to compulsory mobilization.

Mr. LIZOTTE (Translation): Mr. Chairman, I shall be very brief as I do not intend uselessly to waste this house's time in circumstances as tragic as these.

This is a war session and, were we apt to forget it, the gloom and tension which are everywhere evident in this chamber would soon recall us to harsh reality. The people may be unaware of it, but the hon. members who follow the progress of our debates have necessarily witnessed what has happened here since the opening of the session.

Some hon. members were intent on preserving national unity while others desired the formation of a national government. At the last election, the people of Canada, like my constituents, voted in favour of national unity; but they rejected the idea, submitted by our opponents, of a national government. And they were right, for national government would to-day be synonymous with the conscription of all our resources and man-power for the war overseas, a step we have always vigorously opposed.

To my mind, we cannot now avoid the mobilization of our entire resources, either for overseas service, either for the defence of our own territory. I choose the latter alternative as a lesser evil, and I know that in so doing I shall have the support of the great majority of the electorate in my constituency.

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Chairman, it is quite possible that to-day a great number of Canadians are asking themselves very sincerely and very earnestly where lies their duty and where their loyalty. During this debate a number of government supporters have spoken and have received the applause of this house. It is quite possible that what I am about to say this afternoon will not gain for me the approbation of hon. members sitting on the government side; yet I feel that the words I speak will find an echo in the hearts of thousands of our Canadian people.

In the past from my own experience I have realized that loyalty to this Liberal government and loyalty to the Canadian people have not always been one and the same thing. My loyalty, before everything, is to the Canadian people. This is not the first crisis that has arisen in Canada. A few years ago we had an economic crisis which for depth and intensity was unequalled in the annals of this country. How then did we find this government? Did we find them then declaring a state of emergency? Did we find them then conscripting the wealth of this nation, taking over the property and factories of those who could well afford to let them go, and starting the wheels of industry? Did they conscript our man-power and set the unemployed to work? Did they then show loyalty to the people of this country, giving them the aid and assistance they had to have in order to carry on with hope for the future? I regret to say, Mr. Chairman, that I do not think this government did everything then that could be done to satisfy the human needs of the people of this country.

You know, Mr. Chairman, it is not by words but by acts that the people will judge you. It is by what you do, not by what you say. It is by what has happened in the past that people will judge how you are going to act in the future. I will say this, that in spite of the absolutely callous disregard of the needs of the people in that last crisis, during the present one the very same people have come forward with the greatest loyalty any people could show. That is perfectly true. Of this, I am sure, that so long as there is any freedom in the world Canadian youth will fight to preserve it. So long as there is any liberty anywhere to be found, the youth of this nation will seek to keep it. So long as there is left one shred of democracy anywhere in the world our youth will come out gallantly to defend it, preserve it and extend it. I know that, because they have already proved it.

My friends, democracy is a living thing. If you seek to bind and chain democracy, if you seek to keep it for a while without letting it live and without permitting it to exercise itself, democracy will wither; it will die. I know that, too. You see, my friends, I am not unaware of the dangers, the fears and the destruction war may bring. When I was a girl I lived in a city where, for nights at a time, I hid in cellars to avoid bombs which were dropping all around in the surrounding district. Those were the days of German air raids. I know what fear is, and I know this to-day, that as much as I would fear the enemy in this country, an enemy which at any time may attack us, yet I also fear one other thing just as much, and that is the loss of democracy within the borders of our country. I fear that.

I say these things because if we lose democracy to-day, if we chain it and bind it, who knows what tortuous years ahead will have to elapse before democracy can ever start to grow again? Even our unemployed, men to whom in the last few years this government has denied economic democracy, have come forward during this crisis to defend democracy. There is no need to conscript those men, because of their own volition they are ready to defend these things.

I believe it was last night I heard one hon. member say that he had referred the matter to his constituency, because he felt the responsibility of deciding for or against conscription was too much for him to shoulder. Being faced with the necessity of referring

the matter to his constituency in such a short time, it is remarkable that he was able to gain from that constituency any reply which could be considered at all satisfactory. I do not know how in such a short time any reply could have been received which would be in any way comprehensive.

But I do know this: we have in Canada the youth of our nation. In the years to come they will inherit the world we leave. What do the youth of this nation think about conscription? We could do nothing better than to ask them. They have not waited until this day, because we know that already numbers of them have registered their opinions in this matter. It has already been brought to the attention of the house that in Canada we have what is known as a Canadian youth congress and a Canadian youth council. It has been urged in the house that these organizations should no longer be considered legal. These young people of our nation, who have declared the great principles they uphold—first, their belief in God; second, the right of individuals to private property; third, the necessity for internal peace and cooperation between all social classes, and, fourth, the sanctity of human personality—have already declared their feelings with regard to conscription.

This morning I received through the mail some information which no doubt other hon. members received. Roughly four thousand replies have been sent in from the youth of Canada. Some will say that those four thousand replies are not representative, but I would point out that in many instances the answers to the questionnaire were not the answers from one young person, but were in fact replies of small groups or collections of young people who congregated for the purpose of making those replies. Therefore I suggest that the number of young people those four thousand replies represent is far greater than it would seem to be.

Those replies from the young people of Canada indicate that seventy-four per cent of their number are against any form of conscription whatsoever; ninety-two per cent say that conscription would adversely affect our democratic unity, and eighty per cent were in favour of a plebiscite. My friends, to a certain extent I believe those figures speak for themselves.

As to the bill, I would call attention to the general wording. I agree with some hon. members who urge that the wording of the measure should be much more specific before the people of Canada, either through their members in the House of Commons or by themselves, are asked to vote upon it. The people in my constituency definitely had the idea in mind at the time of the election that the matter of conscription would come before the House of Commons. They have stated definitely that before representatives in the house dared to give consent to conscription the people should be given the opportunity to express their views through a plebiscite.

You see, it is the young men who will die. It is the men and women who will sweat and toil in our war effort. It is the women of this country—those daughters of men, wives of men and mothers of men—who will say whether they want their men to go as free men, standing up in a free cause, or whether they will have them driven like cattle.

Mr. GARDINER: Is the hon. member outlining the policy of the united reform group?

Mrs. NIELSEN: Yes. It was included in our programme at the time of the election. We said that we should have a plebiscite before conscription.

Mr. GARDINER: That was not in the policy recently announced from the meeting they held a short time ago.

Mrs. NIELSEN: I shall give the minister a copy of the programme, if that will satisfy him.

Mr. GARDINER: I have one of the last meeting; it was sent to me.

Mrs. NIELSEN: That is fine. I was speaking of the bill itself, and was pointing out that its wording is too general. So far as I can see there are no safeguards to protect either labour or the producers of primary products in coming months or years. If at the present time we had the budget before us we might be in a position to see which section of our population was to bear the brunt, and it might be somewhat easier for us to pass judgment. So far as we can see to-day, amounts of $700,000,000 and $750,000,000 are to be raised by taxation and by borrowing, and I am convinced that during the coming months the brunt of the load will be borne by those least able to carry it, namely, the ordinary workmen in Canada.

I see in this bill a menace to democracy. I see that the working people in Canada are given no safeguards whatsoever; and as my constituents demand a plebiscite I feel I shall have to oppose the bill in its present form.

Mr. LACROIX (Quebec-Montmorency) (Translation): Mr. Chairman, as a sequel to the speech I delivered on Tuesday, I must regretfully say that I cannot agree with the

hon. member for Richelieu-Verchères (Mr. Cardin). I am a believer in the Monroe Doctrine, in the pan-American union, and I sincerely believe that our national defence will have to be strengthened on the basis of an ever closer cooperation with the United States. In our own interest we should therefore take any necessary action for our national defence, but I am still convinced, as was said on Tuesday by the hon. member for Beauharnois-Laprairie (Mr. Raymond) that it has not been shown that voluntary enlistments had ceased to produce the results that are necessary for our national defence, for we must not forget that, till now, voluntary enlistment has been conducted mainly for overseas services.

In the speech he delivered on Tuesday, June 18, 1940, the hon. member for Beauharnois-Laprairie made the following statement as reported in *Hansard* for June 18, 1940:

> By declaring war on Germany, we assumed the risk of having to defend ourselves some day against her onslaught and that is precisely what I opposed. The Canadian Militia Act already authorizes the governor general in council to mobilize all our man-power up to the age of sixty for service in the defence of Canada, both inside and outside the country.

Let me emphasize the words "both inside and outside the country".

> Now, the measure at present before the house has in view the mobilization of human and material resources for the defence of Canada. Why have we provided for the mobilization of our man-power in this bill when such a step could have been taken under the Militia Act?

That is why the attitude of the hon. member for Beauharnois-Laprairie to-day seems strange to me and why the speech he has just delivered strikes me as being still more peculiar.

Besides, as was quite clearly shown by the hon. member for Laval-Two Mountains (Mr. Lacombe), the Militia Act has not been repealed. It is still in existence and could authorize the dispatch to Great Britain, Egypt, Gibraltar, or the Dardanelles, at any time, forces raised in Canada for her defence, and this according to the meaning given to Canada's line of defence in the existing Canadian Militia Act. All this follows from the terms of section 64 which has not been repealed and is still in force.

Mr. COLDWELL: Mr. Chairman, my reason for rising is to state briefly that we support the amendment moved by the hon. member for Lethbridge (Mr. Blackmore). In doing so, I should like to make one or two comments which I do not think have been made before. The Prime Minister (Mr. Mackenzie King) repeated the statement that this bill was modelled upon the act of Great Britain. That is true as far as the phraseology goes, but I would point out that the British act is supplemental to another act which made provision for the securing and controlling of the enlistment of men for service in the armed forces of the crown. That act was passed on September 3, 1939, and the act similar to the bill before us which was passed on May 22, 1940, gave to the government the power to mobilize the material resources and man-power of Great Britain for purposes other than military.

We have no such act for securing or controlling compulsory enlistment on our statute books. The remarks of Mr. Attlee which have been quoted again and again were largely directed to showing that the new act was intended to mobilize the economic forces of Great Britain. That is the distinct difference between the bill now before us and the act which was passed in Great Britain. They have the same language and phraseology, they are the same in every particular except as to intent. It seems to me that the intent of the British act was to conscript wealth. I have carefully gone over the remarks of the Prime Minister made on Tuesday of this week and according to my understanding his statement is that the main intention of the government in connection with this legislation is the mobilization and registration of man-power in Canada. It is true there are brief references to the mobilization of our economic resources, but in the main we are to have recruitment for service overseas maintained on a voluntary basis, a complete inventory of Canada's man-power and other resources, a national registration, a new department to be set up to be entrusted with the work of directing and mobilizing the activities of thousands of our citizens, and so on; and there was an expression of appreciation of the registration already undertaken by the women's organizations.

When this measure was introduced it was perfectly obvious that the emphasis was being placed upon the mobilization of man-power. In order to place our position clearly before this parliament, we of this group endeavoured to amend the bill the other night when it was given second reading so that as a condition precedent to the mobilization of man-power there would be the mobilization of our economic resources.

Mr. TURGEON: Is it not a fact that the only difference between this bill and its British counterpart lies in the fact that in

Great Britain man-power had been conscripted or mobilized already and their act provided for the mobilization of material resources?

Mr. COLDWELL: That is precisely what I was saying.

Mr. TURGEON: They took man-power first; we are taking them together.

Mr. COLDWELL: We are taking the man-power under this bill.

Mr. TURGEON: Man-power and resources.

Mr. COLDWELL: From the explanations already given in this house we have as yet no indication as to what steps will be taken or the extent to which they will be taken to mobilize our industrial life. As I have pointed out before, the Minister of Munitions and Supply has had conferred upon him already practically all the powers that are to be conferred by this bill.

Mr. TURGEON: So far as material resources are concerned, too.

Mr. COLDWELL: So far as material resources are concerned. Apparently the Minister of Munitions and Supply was stating the policy of this government when he said that we were to build two munitions plants and practically hand over their operation to Canadian Industries Limited. This government has apparently entered into an arrangement whereby that company will have a preferred position in the industry, with all that it may involve at the end of the war.

I say again to the Prime Minister that he should tell the country this afternoon the exact intent of this bill. Does he intend to do what our hon. friends to the left have suggested and use the nationally owned Bank of Canada to finance the war? Does he intend to take over the munitions industry and organize it for the conduct of the war? In view of the situation that confronts us, we as a group want to see this country mobilized for an efficient war effort. We believe, however, that before men are asked to consent to conscription and to lay down their lives, they have the right to ask that finance and wealth should be conscripted at the same time. I turn to the debate of 1917 when Sir Wilfrid Laurier spoke on the Military Service Act of that day. Laurier said this:

> I repeat what I said a moment ago, that the sacrifices and hardships of the war fall most heavily upon the working classes. The wealthy young man who goes to war is a hero. He goes to war and sacrifices his life at a time, perhaps, when life has the greatest attractions. In this he is not on a different footing from his poor neighbour, who sacrifices his life, and to whom life is just as dear as to the man who happens to be wealthy. If he loses his limbs, or is crippled in any way, the wealthy man comes to a home in which he will find every comfort, but the poor man has to go to a home where he cannot have comforts, since because of his physical infirmity, he can no longer earn his living. It is no wonder that among these classes there should be opposition to the scheme, not because they are less patriotic, but because they feel that if they are to be conscripted, and called upon to pay that tribute with the rest of the community, at least certain things should be done which would somewhat equalize matters. And what do they ask?

May I interject that they ask to-day exactly what they were asking in 1917, and this is it, in the words of Sir Wilfrid Laurier:

> They ask that if they are to be called upon to give their blood, the wealthy class should, at least, give their wealth in support of the cause.

Those are the words of Sir Wilfrid Laurier in 1917.

Mr. MacINNIS: And no cheers from the other side.

Mr. COLDWELL: They will be found in *Hansard* of June 18, 1917, at page 2397.

The other evening we heard an impassioned speech from the Minister of Public Works (Mr. Cardin). He too spoke in that debate. I turn to page 3061 of *Hansard* of July 5, 1917, where he pointed out that powerful interests in Montreal were opposing certain measures of taxation invoked by the government and he said this:

> When these gentlemen, who are all of them exempt from military service, discuss the expediency of imposing conscription upon the people and of compelling the poor and the labourer to enlist and defend to a certain extent the very wealth of these privileged classes, their patriotism runs high. But when it comes to put out money to pay the expenses and the small wages of those who by this legislation will be coerced into active service, it is readily seen that their patriotism is only measured by the closeness of their fobs.

An hon. MEMBER: Who said that?

Mr. COLDWELL: Those are the words of the present Minister of Public Works in 1917. I am not accusing the wealthy of a desire to withhold their contribution at this time of need, but what I am emphasizing is that before we ask the young men of this nation, nay, before we compel them to give their services in this cause, we should demand as a condition precedent to that—not subsequently—that our financial institutions and at least our munitions industries should be completely nationalized and operated without private profit. That, in brief, is the contention we are making.

In Great Britain, may I point out again, the acts were separate. The Military Service Act of September 3, 1939, conscripted men. The act of May 22, 1940, to which reference has been made, was designed to supplement

their Military Service Act and to conscript the wealth of Great Britain for the same cause. That, of course, was because included in the new government of Great Britain in May were the leaders of the labour and socialist movement of that country whose condition of support in the formation of the new government was undoubtedly that such a measure would be passed. We maintain that in this country to-day we should organize and mobilize our wealth as well as our man-power.

This further I would say. In Great Britain they had greater need even in September to conscript men than we have to-day; for as we said in the debate of last September we believed then, as we believe now, that Canada's major and most efficient contribution to this cause could be made by the provision of economic aid. We still think so, and if that be so, it is all the more reason why in addition to mobilizing our man-power for the defence of these shores and perhaps the territory adjacent to these shores, we should mobilize, and mobilize first, our economic resources.

Before I sit down I simply want to say again that we are supporting the amendment moved by the member for Lethbridge (Mr. Blackmore). It does not go quite as far, perhaps, as we might desire it to go, but it does go a long way, and if it is put into effect it will do much to meet the objections that were recorded by the member for North Battleford (Mrs. Nielsen), who placed before the house the position of many young people. I am convinced that even without the conscription of men for home defence, an appeal made by the Prime Minister (Mr. Mackenzie King), by the Minister of Justice (Mr. Lapointe) and by other members of this house to the young men of this country to defend the soil of Canada in the face of great emergency would not have been left unanswered. I believe that our young men, irrespective of race and creed, would defend the soil of this country to the last drop of their blood.

Mr. JOHNSTON (Bow River): Mr. Chairman, I assure the committee that it is not our intention to hold up this bill at all—

An hon. MEMBER: Sit down, then.

Mr. JOHNSTON (Bow River): After yesterday's performance you fellows opposite cannot talk. We want to see the bill passed with all dispatch, but we also want to see that it goes the full length it should go, so that after it is passed Canada will be able to put forth its maximum effort. We believe that now is the proper time to make specific provision for our future action so that the people of Canada shall no longer be in doubt as to what the intention of the government is.

We have just heard an excellent address from the hon. member for North Battleford (Mrs. Nielsen), who I believe expressed the feelings of the people. There is unfortunately some uncertainty in the minds of the people as to just what is to be done. I am confident that if we wish to unite the peoples of this country so that they will come forward and fight, knowing they are fighting for a democracy, knowing they are going to have a decent place to live in when they come back to civil life, we must make definite provision now for the definite purpose we have in mind. Let us leave nothing to interpretation afterwards.

As I read the bill I am convinced that there is going to be no conscription of finance or industry, but I am definitely convinced that there is going to be conscription of manpower, and if that is the intention behind the bill I am first and last against it. How did I arrive at that conviction? From the very things that have been said in this house. The other day the Prime Minister (Mr. Mackenzie King) and the Leader of the Opposition (Mr. Hanson) were in close consultation in regard to this matter, and what did the leader of the opposition say yesterday? I quote from *Hansard*, page 918:

> What does the ministry propose with respect to the mobilization of wealth. I am not suggesting, and I would not support, the nationalization of the banks. I believe in individual effort. In peace time or in war time I am opposed to the government of this country setting up industrial plants which will compete with private industry.

That expresses the Conservative idea. They are utterly against the mobilization of the banks or the financial institutions.

Mr. HANSON (York-Sunbury): That is not so.

Mr. JOHNSTON (Bow River): It says exactly that in *Hansard*, which is what we must rely upon for hon. members' statements. I cannot put any other interpretation upon the words of the leader of the opposition.

Surely we are not going on with this war in that attitude of mind. You cannot expect the people of Canada to get out and fight for private industry and private gain as they did in the last war. We have to unite the people if we are to win. Let us do it. Let us not be shackled by terms. I think I can appreciate the position in which the Prime Minister finds himself, which deters him from making his statement or his bill more definite. But I beseech him through you, Mr. Chairman, that the people have every assurance that there is not to be any more profiteering

or blood money. In every paper men pick up—and I have the extracts here—they see where profiteering is going on. That is not conducive to patriotism; it will not facilitate the proper carrying on of this war. The time is too serious for us to be in any doubt as to the certainty of the government's intentions. If it does not purpose to go as far as the amendment for which our party is asking, it will have to vote against the amendment; but if it intends to go to the length of using every available means for the successful prosecution of the war, the acceptance of this amendment will prove that Canadians are sincere in our war effort and are going to do everything possible to win. I for one shall have my doubts, if the government vote against this amendment, as to the sincerity of their intention to put into effect the measures which are stated or implied in it.

A while ago the Prime Minister asked a question with regard to what Germany had done. I know that all of us must be very careful in what we say lest we be represented as against the British empire, but I believe the time has come to speak our minds, just as, I believe, the leader of the opposition spoke his mind yesterday concerning the nationalization of industry and the banks.

Mr. HANSON (York-Sunbury): Will the hon. member allow me just one word?

Mr. JOHNSTON (Bow River): Certainly.

Mr. HANSON (York-Sunbury): I have looked up my remarks in *Hansard* at page 918. While I distinctly said that I would not agree to the nationalization of the banks, the meaning attached by the hon. member to what I said is not what I said or even intended. What I would do is this: I would mobilize the power of the banks in this war. I hope the government will do that. There is quite a distinction.

Mr. JOHNSTON (Bow River): Mr. Chairman, the words of this bill respecting the conscription of man-power are quite definite; then let the bill be specific with regard to the banks. If we are to conscript man-power we should conscript the other resources of this country. There should be no differentiation; indeed I am convinced that the conscription of finance and wealth should come first, because there is nothing so important as a man's life. Wealth is needed first. There is no use in mobilizing men and having to send them overseas with old Ross rifles because we have nothing better, having no money to produce anything better. The leader of the opposition said:

> I am not suggesting, and I would not support, the nationalization of the banks. I believe in individual effort.

Why not take the same attitude with regard to the soldiers, and say we believe in individual effort? Where would we get in this war as far as the soldiers are concerned if each man picked up a little gun and ran out to attack a German 80-ton tank? What a prospect!

I want to read to the house an article published by the Ottawa *Evening Citizen* on June 17; I think it answers quite well some of the objections which have been raised against our proposals:

> The budget is due to be brought down at an early date. It is one opportunity for the parliament of Canada—

The CHAIRMAN: While the hon. gentleman may refer to an article as the basis of an argument, he may not read the whole of it. He may make reference to it or even quote a portion of it, but he must not read the entire article.

Mr. JOHNSTON (Bow River): Thank you, Mr. Chairman. I notice that we are going to follow the rules a little more closely, and I think that that is quite proper. It should be done on all occasions, and I hope that the chairman will see that it is done; indeed I know he will, because I have been on committees of which he has been chairman. He has been quite generous, and I trust that he will continue in the same course.

The CHAIRMAN: A certain latitude is allowed, but it cannot be extended too far.

Mr. POULIOT: The hon. member wants the longitude with the latitude.

Mr. JOHNSTON (Bow River): I merely wish to point to the great necessity of having sufficient money available for the proper defence of our country. Thousands of people read the *Citizen*, and its articles are reprinted in other papers. Let us not underestimate the influence of the articles which appear in our newspapers. This particular one seems to me of great importance; I quote an extract:

> Few Canadian people may be aware of the relationship of money to the state of Canada's war preparedness. Everybody is becoming aware, however, that Germany has produced overwhelming supplies of war weapons, aircraft, tanks, guns, motor vehicles, with nothing like the resources of the allies to draw upon.
>
> In a general way it is known, too, that money power in Germany has been made the servant of the state;—

Mr. POTTIER: They did not conscript it.

Mr. JOHNSTON (Bow River):

> —the money has been found for every war need, without any such limit to productive enterprise or to employment as Canadian monetary policy has imposed upon the people of this country in the last ten years.
>
> However short the public memory may be, members of parliament cannot have forgotten

that during recent years in this country, youth wandered the roads in unwanted legions. Nearly one million Canadian people were allowed to exist in want, denied opportunities to engage in productive labour, while Germany's disregard of the rules of international finance put the whole German nation to work in war industries.

Mr. POTTIER: And did not pay them.

Mr. JOHNSTON (Bow River): Did not pay them?

Mr. POTTIER: Three cents a day, or five cents a day.

Mr. JOHNSTON (Bow River): I do not care what they paid.

Mr. TURGEON: The hon. member says they did not pay the men who did the work.

Mr. POTTIER: Is that what the hon. member wants to happen in Canada?

Mr. JOHNSTON (Bow River): Let the hon. member sit down and make his speech afterwards. I wish to quote one more sentence from this article:

> While one Canadian minister of finance after the other denied the possibility of finding money to employ more Canadian people on Canadian resources, the government refused to listen to any proposal to make money available for national purposes without debt or taxation. The highest financial authorities declared that Germany would certainly collapse under an economic policy in defiance of international finance.

But I point out that she did not collapse.

An hon. MEMBER: Not yet.

Mr. JOHNSTON (Bow River): To-day she is the greatest single power in the world, and unless we change our financial position, unless we make matters definite and specific in this bill, we are going to find very hard times ahead.

Mr. MACKENZIE KING: May I ask my hon. friend if he thinks he is helping the war effort of this country or of the British empire by having word go out from the House of Commons of Canada that one of its members believes the German power is the greatest power in the world to-day?

Some hon. MEMBERS: Single.

Mr. JOHNSTON (Bow River): I do not think we should be trying to put false interpretations upon words spoken. I said Germany was one of the greatest single powers. So she is; and I think it is time our people in Canada should begin to know the enemy they have to fight against. And they also should know whether we are going ahead whole-heartedly or not. That recalls to my mind something said the other night. On page 902 of *Hansard* the Prime Minister is reported as saying:

> But I do not know that you will in any way help to preserve the human if by one stroke of the pen you wipe out the whole of the material. Some of my hon. friends say—

And I should like this part particularly noted:

> "Will you wipe out all the banks and take all the credit, the little savings of people which they have put in the banks? Will you wipe out everything?"

Nobody in this corner ever said anything like that or ever implied anything like that. That is the kind of misinterpretation that is not conducive to the best interests of the country, and no one knows it better than the Prime Minister. Certainly we in this corner of the house, or the party I am associated with, never made any such statement like that, and I have never heard the Cooperative Commonwealth Federation make it either.

Mr. BRADETTE: Speak for yourself.

Mr. JOHNSTON (Bow River): I would not want to attempt to speak for the hon. member. We have made our policy quite clear on many occasions.

Mr. BRADETTE: As clear as mud.

Mr. JOHNSTON (Bow River): At least we do not go out and tell people during election time that there is going to be no conscription, and then bring it in.

The CHAIRMAN: Order.

Mr. JOHNSTON (Bow River): On September 8, 1939, this was said in this house in regard to finance, as reported on page 79 of *Hansard*:

> We advocate the conscription of finance:
>
> (a) by the creation by the government of the necessary credit and currency combined with definite price regulation to prevent any serious inflationary rise in prices;
>
> (b) by borrowing abroad only for the purpose of obtaining needed goods and services beyond the capacity of our people to furnish;
>
> (c) by placing an embargo on capital and capital assets as at the date of the declaration of war;
>
> (d) by requiring that financial institutions and corporations reveal all undisclosed reserves as at the date of the declaration of war, and that these be forthwith conscripted by the government;
>
> (e) by introducing more steeply graded income and profits taxes;
>
> (f) by providing that all equivocation and/or evasion in this regard shall be treated as a treasonable offence.

The other day the hon. member for Macleod (Mr. Hansell) further stated the position we take. We want to see everything done that can possibly be done so that we shall be able to carry on our part in this war to the greatest possible extent. Above all, we want to see that there is as far as possible equality of sacrifice in the great struggle that is ahead.

Everyone knows the extent of the sacrifice that the common man will be called upon to give. He is the one who will have to go to the front, or fight in this country, and give his life, or his arm or his leg; he is the one who makes the supreme sacrifice, and there is nothing beyond that. All the wealth, all the money is a mere secondary consideration to what that man gives. There should be no doubt in the minds of the people of Canada at this extremely serious time as to the intention of the government in this respect, so that when the word goes out that this bill has been passed they will know exactly what is going to happen, and that after the war they are not going to be weighed down into the depths of the mire by taxation and debt. I have talked with a great number of people; I have made it my business to talk to them in regard to this war, and they have told me on many and many an occasion that they are willing to fight with finance—I emphasize that word "with"—for the preservation of the British empire and freedom, but they are not willing to fight for finance and the preservation of misery and want.

Mr. POULIOT: The Chairman did not know that until you said it.

Mr. JOHNSTON (Bow River): Well, I doubt if the hon. member did. These are serious matters. We are not asking for less power to be given to the government under this bill; we are asking that the powers be increased so that the people will know exactly what is going to happen. And I cannot for the life of me see why any hon. member can vote against our proposal.

Mr. JAQUES: I shall take but a few minutes. I should like if I can to correct the impression that some hon. members seem to have as to our stand on this bill. During the election campaign I had three opponents, a Liberal, a Conservative and a Cooperative Commonwealth Federation candidate. I was accused by all of them of standing for conscription. They all promised that if they were elected they would see that conscription was not brought in. My stand was this: I said I would make no such promise because I knew that if and when the necessity arose for conscription it would be enacted whether we liked it or not. I said if I were elected I would do my best to see that before the conscription of man-power was put into effect in this country finance would be conscripted. In my opinion, and I think in the opinion of every hon. member, the time has now arrived when conscription is necessary. I do not think there is any disagreement on that point.

The Prime Minister (Mr. Mackenzie King) claims that the bill covers conscription of finance in that it says, "all of the effective resources of the nation, both human and material." I am not quite sure that it does. Of course I do not doubt the Prime Minister's good faith, but when people say a government can only borrow or tax, I am not sure that they understand the nature of money. Every competent and honest authority in the world to-day admits that money is created. Matter cannot be created; therefore I do not think it is quite exact to say that "material resources" will include the financial resources of this country. After all, money is credit; credit is a matter of faith, and faith is hardly a material resource. Ever since we have been in this house we have tried to show that money is created. If anyone still doubts that, the only answer I could give would be this. We were told over and over again that Hitler and Germany really could not become dangerous because they had no money. Then where did Hitler get his money? We were told the same thing about Italy when that country invaded Abyssinia; we were told they would become bankrupt. I only wish to God they were bankrupt to-day. Want of money does not bankrupt countries; it does not, or at least need not, prevent countries from doing anything they desire as long as it is physically possible.

I believe, Mr. Chairman, that the fundamental trouble with the democracies, the thing that has brought democracy to the point where its very existence is in danger, is that democratic governments have allowed themselves to be absolutely controlled by the idea that money cannot be created. This and every other government has been controlled absolutely by those whose sole interest has been the lending of money. That is what has brought us where we are to-day. When the war loan was launched the public were told that a government must have money and that the only source of money was what it could tax and what it could borrow. The only fault with that statement is that it is not true. We have it from the governor of our own bank, and we know it to be a fact, that banks lend money by creating the means of payment; and we say that if banks can create money then surely the government itself can do the same thing, using the Bank of Canada as it exists to-day.

I do not like the financing of a war by means of bonds. During the campaign to put over the war loan we were told that these bonds were a safe and profitable investment. What makes a war bond safe, if it is not the risk that the soldier assumes when he faces the

enemy? If we are beaten the bonds will not be worth the paper on which they are written. That is what makes them safe. What makes them profitable? We were told that this was a democratic war which should be financed in a democratic way, and the Minister of Finance said he would like to see the bonds spread as evenly and as widely as possible. Well, let us suppose he had achieved his ideal and that each Canadian had an equal number of bonds. Then where would be the profit? Surely then the only thing left would be to tear them all up, because every Canadian would be taxed to pay his neighbour's interest. But if unfortunately, as the minister said, the great majority of Canadians were too poor to buy bonds then those bonds would be in the hands of a few people, and the poor people who did not possess the means to buy bonds are precisely the ones who would be taxed to pay interest to those who owned them. That is my objection to using bonds as a method of financing a war.

I realize that in total warfare it is necessary to reduce purchasing power in order that more men may be available for the production of war materials; but I think taxation would be a better way of reducing that purchasing power than borrowing; especially since the amount of money borrowed from private individuals is only a fraction of what the government has to borrow. Eighty per cent or more of the money borrowed by the government comes from the banks, and they lend money by the simple process of writing the figures in their books. That was done in the last war and now it is being done in this war. Then, when the war is over, an enormous debt creates the illusion that the country is hard up, and we have to economize. We know that happened after the last war. In this house I heard the late minister of national defence say that the flying corps had ceased to fly. He could not say there was not plenty of room up in the air. He could not say there were not plenty of young men willing and able to learn to fly. He could not say we lacked facilities for making machines, or that we had not plenty of gasoline and oil. But the flying corps ceased to fly. Why? There is only one answer; we had no money. That was only four or five years ago. That did not pertain only to flying; it pertained to everything, so that the war caught us totally unprepared, and we are still unprepared to the extent that we are not doing all that we could and should do in fighting this war.

Therefore, Mr. Chairman, while I realize that at this time it is necessary to mobilize the total man-power and wealth of this country,

I agree with my hon. friend who preceded me, and I am opposed to this bill unless our amendment is added to it.

Mr. HANSELL: I rise simply to cover a point which perhaps has not specifically been covered, and to sound a note which perhaps has not particularly been sounded. I do not know whether the Prime Minister (Mr. Mackenzie King) will speak on the amendment, but the other night when referring to finance he made this statement, as reported at page 902 of *Hansard:*

> Then some hon. gentlemen speak about human and material resources and they wish to know whether "material" covers "financial." Well, in what category would you put finance unless you put it among material things? It is not spiritual, nor is it human. It is material, and probably if my hon. friends were expressing their minds to the full they would say it is the most material of all things.

I fancy the Prime Minister's position is that the bill already covers what is called for in the amendment, except of course that the amendment makes it more specific. It seems to me that this matter of finance is somewhat mysterious. We question whether we should put it in the material realm, or in some other realm.

Mr. MacNICOL: The spiritual realm.

Mr. HANSELL: I am going to suggest to the hon. member who has interrupted that perhaps that is the very realm in which it must be put. But let me remind the hon. member that the word "spiritual" does not always confine itself to that which is righteous. There is such a thing as spiritual wickedness. I am going to suggest that this matter of money cannot always be defined, and when we talk of money power I suggest that we are talking about that undefined mystery of might which functions behind the scenes of all economic transactions. It receives its authority from, and it is protected by the statutory action of parliaments. It thrives in the midst of ignorance and intellectual darkness. Its power is well nigh limitless. It setteth up one government; it putteth down another. A great prophet has said:

> For we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places.

I am suggesting that the Prime Minister is cognizant of the truth of those words from Holy Writ because on more than one occasion he has referred to those forces of the underworld of evil. I am suggesting to him that behind the scenes of almost all human activity —even national activity—there are the great forces of righteousness over which God Him-

self rules, and there are the forces of evil over which his satanic majesty rules. I say that the money system, as presently constituted, is satan's instrument. He wields it by the manipulation of figures in bankers' books, and law.

Not so long ago in an impassioned appeal—and I have forgotten the exact reference or occasion—the Prime Minister said that we must put on the whole armour of God.

Mr. MACKENZIE KING: It was the late Minister of National Defence, Mr. Rogers, who made that quotation.

Mr. HANSELL: I am very glad to hear the Prime Minister say that.

Mr. MACKENZIE KING: And I agree with him.

Mr. HANSELL: We all agree with him. If those are the words of the late Minister of National Defence, they were noble words. The same prophet to whom I previously referred defines what the whole armour of God is, and his first statement in that connection is:

> Stand therefore, having your loins girt about with truth, and having on the breastplate of righteousness.

Yes, let your loins be girt about with truth. No realm of truth has been so perverted as has the realm of truth concerning finance. No truth is less known than the truth concerning finance. Let not hon. members talk so much about phoney money; there is no subject under heaven concerning which there is so much ignorance in our boasted democracy as there is with respect to the subject of finance. A great prophet said that we wrestle not against flesh and blood. Let me point out what was said by Mayer Rothschild, the father of the house of Rothschild: "Permit me to issue a nation's credit, and I care not who makes its laws."

We are anxious to have these stipulations placed in the bill because some of us realize the tremendous power wielded by the forces of evil inherent in the present financial system. We want the government so to use the financial system that it will be an instrument for righteousness; to use it for the preservation of our liberties. Yes, we say a great deal these days about the preservation of our liberties; we talk about our free institutions. About the only institution in the world that is free is the financial institution. We like to think that the church is a free institution. Let me say this to hon. members from the province of Quebec: Let one of the members of their ecclesia say something which might be interpreted as being directed against the war effort of Canada, and then let us see—

The CHAIRMAN: I would point out to the hon. member that the bill before the committee has nothing to do with the monetary policy of the country. A certain latitude may be given in debate, in view of the text of the amendment; but I do not believe that references to the monetary system should be discussed at such great length. Casual references may be made, of course, but I am pointing out to the hon. member that our financial system is not the subject matter now before the committee.

Mr. HANSELL: I thank you, Mr. Chairman. I have always found you most fair in connection with any committees of which we have been members, and I thank you for pointing this out. I was simply saying that all institutions which claim to be free, actually are not free. But our banking institutions and financial system seem to be free at all times.

I should like to see the government take hold of our present financial system and so arrange it as to bring about the right ordering of money in order to give our war effort its greatest possible effectiveness; and also, after the war has been fought and won, to give to the people of Canada the greatest possible security. That can be done. We in this group—and I am certain that my hon. friends who sit to my right feel as we do—believe that this can be done. That is why we want these words in the amendment inserted in the bill, and we do hope that the amendment will carry.

Mr. POULIOT: I always listen carefully to what my hon. friends on the other side have to say. The hon. member for Macleod (Mr. Hansell) has just referred to the ecclesia. In English we refer to my church as the Roman Catholic church; in French it is église Catholique. There were certain members of that church who believed in social credit theories; but my archbishop, His Eminence Cardinal Villeneuve, the primate of the Roman Catholic church in Canada, in a public letter which appeared in the press told them to mind their own business. I prefer to stand with my archbishop rather than to accept advice from the hon. member for Macleod on religious matters.

I cannot understand how paper money can be made a weapon with which we can win the war. This afternoon I have had one eye on *Hansard,* but my two ears have been used to listen to what my hon. friends had to say. I may be dumb, but I must say that I do not understand anything they say. They make statements, but they do not prove them.

Mr. FAIR: If the hon. member cannot understand it, is that anyone's fault?

Mr. POULIOT: One thing I regret is that hon. members who make these statements do not understand them themselves. I have a few observations to make on this bill. These hon. members make statements and they feel that, having made a statement, they have proved their case. You, Mr. Chairman, are a lawyer and have appeared before the courts. You know that in any action it is mandatory that a man must prove his case. Even our gracious colleague, the hon. member for North Battleford (Mrs. Nielsen), has made many statements which were quite pleasant to listen to but which were not affirmations of fact. Nothing has been proven. The hon. member referred to the poverty of the people in her riding. We want to do something for them, but simply stating that people are poor does not provide the cure. What we want from these hon. gentlemen is a concrete and practical suggestion. As I told them before, what would be the use of putting their theories into practice and having to pay our soldiers with scraps of paper, no better than the treaty of Versailles?

Mr. HANSELL: That is where the hon. member does not understand it.

Mr. POULIOT: Hon. members shout pretty loudly; sometimes they scream even louder, but that has no effect upon the intellect of any hon. member. It may affect our ears, but it does not impress our minds.

Mr. MACKENZIE KING: Mr. Chairman, the question we are now discussing is so important that every hon. member, before he votes for this amendment, should be perfectly clear in his own mind on what he is voting for, or before he votes against the amendment should know what he is voting against, that I desire to present to the committee exactly what we will be voting for if we vote for this amendment, and what we will be voting against, if we vote against it. I do this not merely for the sake of hon. members in recording their votes, but also in order that the people of Canada, whose representatives in this parliament we are, will know exactly what we have done. The section which is being amended reads:

> 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.

It is proposed to amend this particular section by inserting after the word "requiring" the following words:

> —the Bank of Canada to finance all war effort, and requiring all corporations, industries, financial institutions and all—

The amendment really asks for two things. The first is in the exact words, that the Bank of Canada should finance all war effort. The second is the requiring of all corporations, industries and financial institutions to place themselves, their services and their property at the disposal of his majesty, as well as requiring all persons to do the same. As the hon. member for Macleod (Mr. Hansell) recognized quite clearly, the second part of the amendment is already covered by the legislation as drafted. He felt quite sure that I would draw the attention of the committee to this fact. I want to make it clear that those words are wholly unnecessary. If they were the only words to be inserted in the section they would not alter in one way or another, either add to or subtract from the powers that are being given to the government under the section.

It is many years since I took a course in law, but I still have a recollection of some of the studies I made at that time. My understanding of the construction of a statute is that where the word "person" appears it shall apply equally to corporations as well as individuals.

Mr. HANSON (York-Sunbury): I think the right hon. gentleman will pass.

Mr. MACKENZIE KING: I have here the act respecting the form and interpretations of statutes. Paragraph (20) of section 37, which deals with definitions, reads:

> "person," or any word or expression descriptive of a person, includes any body corporate and politic, and the heirs, executors, administrators or other legal representatives of such person, according to the law of that part of Canada to which the context extends;

It is therefore quite clear that that portion of the amendment is wholly unnecessary. When this bill is passed, as I think it perhaps will be very shortly, we will be given the power to make from time to time such orders and regulations as we may think necessary for the safety of Canada, requiring all corporations, industries, financial institutions and all persons to be subjected to those powers. There can be no mistake about the effect of that part of the amendment. It is clearly understood. The bill covers everything in the particulars mentioned that the hon. gentleman

or the hon. lady opposite might wish to have incorporated in the bill, so far as powers to be given to the government are concerned.

What is left? This is the whole significance of the amendment, as I see it. How will the amendment read if we insert the words desired? It will read:

> . . . the governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, requiring the Bank of Canada to finance all war effort—

Just see where that leads us. The greatest obligation placed upon a government is to carry on the business of the country, and that obligation assumes the greatest possible proportions in a time of war. The obligation which the people of Canada have placed upon this government is to find ways and means of carrying on the war effort of Canada; and to find those ways and means is the hardest problem which the government has before it. It will cause the government to look in a hundred and one directions to obtain the necessary financial means to carry on the country's war effort. But what do hon. gentlemen who have moved or who may support this amendment propose? It is that the government shall have power to wash itself entirely free of all that responsibility.

An hon. MEMBER: No.

Mr. MACKENZIE KING: Just a moment, please. I have a right to give my interpretation and I am stating it plainly. The proposed amendment is to relieve the government of all responsibility for finding ways and means to carry on Canada's war effort by doing what? Simply by requiring the Bank of Canada to finance our whole war effort. That is what it asks. It asks that this government or any government that may come into power in the course of time shall be given power to put upon the Bank of Canada, if it wishes to do so, the obligation of financing all our war effort. It does not even say "to assist" in the war effort. The obligation is on the Bank of Canada to finance the whole war effort. Does anyone suppose that if the government of this country were to attempt to do anything of that kind under powers to be given to it, the Bank of Canada could finance our whole war effort? Does anyone believe that for an instant?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. MACKENZIE KING: Some of my hon. friends say yes and others say no. I am quite prepared to leave it to the intelligence of the people at large to say whether they believe that one institution which has certain powers given to it by statute could so conduct its affairs as to be able to finance the whole war effort of Canada. If we should pass the amendment we should be simply making the whole war effort of Canada ridiculous. It would be equivalent to saying: We have so little sense of what is meant by the war effort of Canada, and of what is needed to sustain it, that for the sake of helping to popularize some particular financial theory we are going to give the government the power to require one institution to finance Canada's whole war effort.

Mr. ROWE: A great relief!

Mr. MACKENZIE KING: My hon. friend says that it would be a great relief to the government if it were possible for it to turn over an obligation of that kind to an institution. But I wonder what the people of Canada would say about a government that acted in that way. That is the responsibility that hon. gentlemen are taking who vote for this amendment, and I am putting it before them now because I want them to have the opportunity, if they so desire, of withdrawing the amendment in the light of what has been said. If they do not wish to do so I want the country to know that those who are voting for this amendment are voting to give the government power to relieve itself of all responsiblity of financing Canada's war effort simply by passing an order which will enable it to transfer that whole responsibility to the Bank of Canada, an institution which has its home in this city, and placing upon the shoulders of that institution the duty of financing the whole war effort of Canada. The English language is clear and I think anyone who can read will say that the amendment is not susceptible of any other interpretation. That is what it says, in black and white, in the English language. If hon. members feel that at a time of crisis like the present we can afford to trifle with the war effort of Canada in that way, I am quite certain their views will not find general acceptance among the great body of the people in this country.

I am the last one to wish to deprive anyone of the opportunity of discussing any theory of finance or any other matter that he may wish to discuss, but there are times and seasons for all things, as I have said so often, and I do think that the time we have taken this afternoon to discuss this financial question rather than the great question of Canada's war effort and the prosecution of the war has been more or less unnecessary in the light of the situation to-day. I want hon. members to know just what they are doing

and the country to know what we are doing, and it is for that reason I have presented the matter in its true light.

There has been much said about equality of sacrifice, and that this measure is intended to put emphasis upon compulsion with respect to human resources rather than upon compulsion with respect to material resources. I deny that there is more emphasis upon the one than there is upon the other. I deny that absolutely. This measure is to give the government power, where the situation demands it, to exercise a degree of compulsion, with respect to the human resources of Canada, and equally with respect to any of the material resources of Canada. That is the purpose of the measure, and the light in which the government will construe its power is the light of equality of sacrifice. As I have said time and again, if any place can be found where by putting emphasis on the sacrifice of material things in preference to the sacrifice of human resources, then so far as I am concerned, and I believe also every other hon. member, the emphasis will be put upon the sacrifice of material things.

The degree to which it may be necessary to exercise compulsion under this measure will depend altogether upon circumstances. A great deal has been said, and I think rightly said, as to the readiness with which the young men of this country will come forward and volunteer for service and prepare themselves to defend this country in time of war; and to the extent to which voluntary effort will meet the needs of the situation, I think everyone in the country will be glad to see the exercise of as little in the way of compulsion as possible. But if we do not get the voluntary effort that is needed, and if it is necessary as a consequence, in order to protect our own soil and our own country, to say to any body of men who are shirking their duties as citizens, "We are not going to allow you to stand in the way of the men and women of this country who want to see it defended, so get into shape and train yourself to take your part when the moment comes to acquit yourself like a true citizen of this country should," —we want to be free to say it, and to see that what is said is done; that is what this measure is for, so far as human resources are concerned. But it is not the purpose to rush through Canada and conscript every man at once, put him in uniform and provide him with a rifle, but rather to take at any particular time the steps that may be necessary for Canada's defence.

I will say what I think the first step should be. It ought to be to see that every young man, indeed every man in this country who is able to shoulder a rifle, gets an immediate course of training so that he will know what to do if he has to come forward and defend his home and his country. We all hope that the soil of Canada may not be invaded and that it may not be necessary for the youth of this country to engage in actual warfare within its shores. But is there anyone, is there any young man in this country who, if he is to be called out in his own and the country's defence, would not wish to have had such training as will make him more fit to perform his duties in the way he would wish to be able to perform them? That is the purpose of the measure, to enable us to prepare to meet any situation as it arises. And the same with regard to industry, and the same with regard to finance. If the government thinks it desirable or if it becomes necessary at any stage to take over a whole industry or a particular plant, or a bank or other financial institution, the government will have power to do so. But it is not going to commit itself to taking any of these over before it appears that such a step is absolutely necessary and the best way to win the war. Similarly with regard to finance. This measure gives the government power to take any action with respect to finance which it may wish to take, and the financial resources are, of course, a part of the material resources of the country. There can be no two ways about that.

That is all I wish to say at the moment because I am more anxious to get this bill through than I am to debate it further. I hope I have made it perfectly clear that so far as the government is concerned and its interpretation of this measure, it stands for equality of sacrifice with respect to human resources and material resources. If there is a possibility of choice between the two, material resources will have to serve the needs of human resources rather than the human resources be obliged to serve the ends of any material resources. The committee will pardon me for referring to my own views on that subject. I think I have expressed them very clearly in writing in the volume which is entitled "Industry and Humanity." The whole thesis of that book is that, industry should serve the needs of humanity, not humanity be made the slave of industry; and by that I mean equally finance and any other form of economic activity. The human is superior to anything material. The material things of life exist for the purpose of serving the higher human and spiritual needs of mankind. So there cannot be any mistake about where the emphasis lies, or where the government intends to place the emphasis. Equally there will be no mistake about what we shall be doing if we accept this amendment. We shall be ridding ourselves of all

responsibility for what is required in the way of finance to carry on Canada's war effort, and we shall be turning it over to a single institution which is located on Wellington street not far from these houses of parliament.

Mr. MacINNIS: I wish to say a few words in explanation of why we of this group are supporting the amendment. If one is not careful, it is easy to get confused in this house. A few days ago the Minister of Finance (Mr. Ralston) was piloting a bill through the house. He was asked on a number of occasions to give the legal interpretation of certain sections, and he said that he would not do that because he did not know what the courts might say if the bill came before them for interpretation. But here we have the Prime Minister (Mr. Mackenzie King), who has not studied law for a long, long time and possibly has forgotten all he ever learned, saying there can be only one interpretation, and that is his.

Mr. MACKENZIE KING: Will my hon. friend let me display a little more of my own learning and knowledge? I believe that when the courts come to interpret a matter, if there is any doubt about it they like to see how the government itself expressed its view when the statute was passed, and they take that into consideration in giving their decision.

Mr. MacINNIS: Not always. We found quite a different state of affairs when certain legislation was passed here in 1934. The legal gentleman who was then leading the government was very sure what those statutes meant, but when they were taken to the courts the interpretation was quite different.

Why are we of this group supporting the amendment? The Bank of Canada is an instrument of and owned by the government; and we are asking that the government, in carrying on the financial activities necessary to the prosecution of the war, use the Bank of Canada in much the same way as we expect the government, in carrying on military activities, to use the Department of National Defence, not some little private military organization created by some other group. I believe the government can use the Bank of Canada to whatever limit it desires. It can go further; it can nationalize private financial institutions and bring them under the same control as the Bank of Canada. My ideas of finance in this respect may be somewhat cock-eyed, but if they are, they became that way by listening not to my hon. friends on the left, but to the hon. member for Vancouver-Burrard (Mr. McGeer).

Amendment negatived: yeas, 17; nays, 147.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. DUBOIS (Translation): Mr. Chairman, for the last four years, I have opposed any increase in the military estimates, and demanded a positive assurance as to their use for the defence of Canada's territory. The Canadian people have had an opportunity of judging whether my fears were well-founded and justified.

To-day, the government are putting before us a measure embodying the very assurance I have demanded at each session since 1937, as any one can see by referring to section 3 of the Mobilization Act, 1940, which reads as follows:

> 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.

This time, we have before us no mere statements put on *Hansard* but a clear and definite statute.

In the defence of our country, it is a patriotic duty for us to make even the supreme sacrifice. I agree with my hon. friend from Beauharnois-Laprairie (Mr. Raymond) that this legislation should not be enforced as long as full advantage of the possibilities of voluntary enlistment has not been taken.

For the information of those who, in the past, have doubted my sincerity, I may say that I have no objection to raise as regards the wording of this bill, but I reserve the right to pass judgment, at the proper time, upon the administration of the act.

Mr. HANSON (York-Sunbury): Mr. Chairman, before section 2 of this bill passes, I should like to make some further observations. Whatever I have to say will be, I hope, direct, clear and explicit, without any mental reservations.

When the Prime Minister stated yesterday and again to-day that this bill was the same as that passed by the British parliament in a little over two hours, and, as I recall it, by unanimous consent, it escaped my attention at the time that the regulations with regard to military service had already been passed by the imperial parliament, and that the British government was then asking parliament for authority only over material resources and like matters. May I suggest to him that one of the reasons, and probably the strongest reason, why the British parliament was able to and did pass that act so expeditiously was that it was conferring these wide powers upon a national government representative of every element in the country, including labour; whereas we are asked to confer practically

dictatorial powers upon a purely party government, representing as it does only 54 per cent of the people of Canada. I feel very strongly that the government is putting the cart before the horse. If the Prime Minister had first formed a national government, which the British people have had to do, which France had to do, which the two great sister dominions had to do, then I venture to say that this legislation would not have taken any more time here than it did in England. And may I further remind the government that the defence of the country should begin with unity; political unity, parliamentary unity; and not under the flag of a party government.

On Tuesday before this bill was introduced I seized the occasion to express the view that the ministry must be strengthened. I said that there are vacancies now existing which must be filled. I could not accept the view that because of the recent election we have to-day a national government. I said then, and I now repeat, that we have a party government, moved by party considerations and motivated by the party spirit, with the result that while half of the nation is to be called upon to pay, to fight and maybe to die, that half has nothing to say about how our defence shall be carried on. That is not national unity. It is quite the reverse, and in a time of national peril should not be allowed to continue.

I did not advocate a union government. I did advocate a truly national government to be formed with representation from among the best in the house and in the country for concerted national effort, so that this nation may present a united front to the common enemy. I expressed the opinion that if this did not come about, if the Prime Minister did not move to accomplish this end, the country would not function as it should if we are to present a common front and successfully defend ourselves. The Prime Minister has not yielded to that suggestion. He has stated, in effect, that after this bill goes through he will reorganize the government; but he has never for a moment committed himself to the formation of a national government.

No government apart from a national one should ask for such a blank cheque as is contained in this bill. No government except a national one representing all shades of political thought and opinion in this house and this country should ask for such dictatorial powers as are represented by this section.

If, before this bill is passed, the Prime Minister will not reorganize the government along national lines as I have indicated, then I should like to ask the right hon. gentleman if he still adheres to the position he took yesterday, namely, that he will not bring down the regulations to be made under this measure for a complete review thereof by parliament before the bill becomes law.

If the Prime Minister will not give any such undertaking as I have suggested with regard to reorganizing the government along national lines, and will not consider the request I have just made, I desire to make the following observations. In view of the unprecedently wide powers given the government in this bill; in view of the utterance of the Minister of Public Works (Mr. Cardin) that this measure constitutes the broadest blank cheque ever given its executive by any parliament for the administration of public affairs; in view of the Prime Minister's statement on Wednesday afternoon as to the inability of the government at this time to give in greater detail or, in fact, any detailed information as to how the government will use the powers thus given, will the Prime Minister, before this bill finally is given third reading and passes this house, give the house and the country some undertaking that parliament will not prorogue but will be called at intervals during the ensuing months of this year for the purpose of being consulted in connection with and passing judgment upon important actions taken under the authority of this bill and the general conduct of Canada's war effort? My own view, and I hold it very strongly, is that parliament should be supreme in all these matters, and therefore that parliament should only adjourn and not be prorogued at the conclusion of the business of this session. I believe that while parliament is delegating wide powers to the government under this bill, it should in no sense surrender or wish to surrender all or any of its functions. I hope also that the government would not wish, after this bill is approved, to ignore parliament and not call the members to Ottawa, frequently if necessary, for further consultation.

Canada is a democracy, Mr. Chairman, and I hope will always remain a democracy; and the representatives of the people should be called together whenever the occasion requires, not only to lend added support to the government's actions with regard to the war but on proper occasions to offer constructive criticism. Consultation and cooperation within parliament I believe constitute the most democratic method of carrying on Canada's war effort, not only for the defence of Canada but also to aid the mother country in the manner best calculated to secure the most satisfactory results and bring about the achievement of ultimate victory so ardently desired by all of us.

Therefore I invite the Prime Minister, before this bill passes out of this chamber, to

take the house and the country into his confidence on this most important question of frequent consultation with parliament at this time. I would ask him to give us an assurance that parliament will not be prorogued but will be adjourned in order that it may be called together again for consultation and advice with respect to not only the subject matters of this bill but also the conduct of the war generally. That is a democratic right of the people's elected representatives.

Mr. POULIOT: Before this question is answered by my leader, I should like to make an observation on behalf of the rank and file of the Liberal party. The hon. gentleman who leads the opposition has said that we live in a democratic country. That is true. But what is the rule in a democratic country? It is the rule of the majority. We have been before the people, not in time of peace but in time of war. As every one knows, at that time the situation was not so critical as it is now; nevertheless the Canadian people have selected to govern this country in time of war not the Tory party but the Liberal party.

Mr. HOMUTH: Under false pretences.

Mr. POULIOT: I can argue that in the constituency of Waterloo South, which is represented by the hon. gentleman—

Mr. HOMUTH: Come on and try it.

Mr. POULIOT: —with him, at any place within that constituency, and I am sure I will receive the cheers of the people. Well, sir, I am bored with the repetition of the same inanity.

Mr. BROOKS: We are bored, too.

Mr. POULIOT: You will be more bored in a few minutes. We had a request for a national government from hon. gentlemen opposite, while at the same time one who wants to be included in that government, although he says he would not act, was casting aspersions on this government from what is called the other place. Is that the way to carry on the war? Is that the spirit of unity and national understanding for the common good that we should expect from those who must bow before public opinion? The leader of the opposition was not a candidate in 1917, but he was the key man for the Tory candidate in his constituency supporting the union government, which committed so many crimes that now they dare not advocate a union government. Now they advocate a national government. There was a national government that existed in the fertile imagination of their past leader, but it lived no longer than a dream and he awoke with a nightmare. At page 858 of *Hansard* for this session the leader of the opposition said:

> I cannot accept the view that because of the recent election we have a national government.

That Rip Van Winkle is not awake yet.

> I am advocating a truly national government, to be formed by this administration, with representation from among the best in this house and in the country, and for concerted national effort, so that this nation may present a united front to the common enemy. I beg the Prime Minister, I beg the members of the government, to unite this country under a truly national government. He and they alone can do it.

Well, this is the truth: It is the privilege of the Prime Minister to select his colleagues, and so long as his cabinet has the confidence of the House of Commons, just so long can he carry on the business of government for the country. And he carries on that business not only for those who voted for the Liberal party at the last election, but for all the people of Canada.

May I remind the leader of the opposition that I understand I am elected by the vote of good Liberals and sound-thinking Conservatives who supported me at the last election.

Mr. MacNICOL: But not this group.

Mr. POULIOT: No, I am sorry. You see, the Conservatives in my constituency are high above those who supported my hon. friend. On the evening of election day, when I had won the election, I considered I was the representative not only of those who had supported me, but of the whole population in my constituency.

Exactly the same reasoning applies to this government. When it is in office it represents not only Liberals, sound-thinking and intelligent Conservatives, intelligent ex-Social Crediters and intelligent ex-Cooperative Commonwealth Federation followers, who voted for it, but all the people throughout the country. If it does something wrong it is subject to a vote of censure; if on a vote of want of confidence in the House of Commons it is defeated it must resign, and instructions are issued by His Excellency the Governor General for the formation of another government. I say, then, that this government has the confidence of the people, and I do not see how the tiny minority, this infinitesimally small minority, is in a position to say, "We will dictate our views to the Prime Minister, and we will impose our conditions upon him." That is the summit of absurdity.

The leader of the opposition is a sound country lawyer, as I am. At this time I leave aside his political views, and I refer only to his knowledge of the law and the statute books. He knows I am perfectly right when I say these things to him.

At page 913 of *Hansard* the same story is told in the same terms, just as if the hon. member wanted to learn it by heart. Everything is the same at page 913. Then again to-day we heard it twice, and particular reference was made to Mr. Knox in the United States. President Roosevelt may have his own reasons for the formation of a union government in the United States. Of course he did not have a recent mandate, as this government had in the month of March. Elections in the United States for the selection of a president are to take place in the fall of this year. The conditions are entirely different. Then, the last general election in England took place in 1937, a long time before the war. I believe the election was at the time the empire was rejoicing over the coronation of their majesties. That is a long time ago, and a lot of water has passed under the mill during those years. Conditions are entirely different to-day. Here we have a fresh government.

An hon. MEMBER: A strong one.

Mr. POULIOT: Yes, a strong one.

Mr. HOMUTH: How strong?

An hon. MEMBER: And a good one.

Mr. POULIOT: That is the voice of the people I am hearing now. Why should this government be compared with those of the United States and England? Some hon. members have a mania for saying that a certain thing is done in England, or that it is done in the United States, or that it is done in Afghanistan, and that we must copy it at once. They have no imagination.

I would ask the leader of the opposition to have a little more imagination and to make more constructive suggestions than the appointment of a Tory in a Liberal government. That is all I have to say on that point. Of course we have a Methuselah here, a Methuselah representing the defeated Methuselah of the last parliament. And they have a few Methuselahs in the other place. We would be told that they have the experience, and that we may judge it by the size of their beards. Even if they are clean-shaven, it does not matter. It is political experience that counts. A man may be old in years, but too young in experience to sit in the councils of the nation, or to make decisions of the utmost importance, which must be done to-day.

That being settled, I have just a word to say about the mobilization of resources. There is a danger ahead, and it is the danger of red tape which was mentioned the other day by the Minister of Munitions and Supply (Mr. Howe), when he said that the officers could decide that a pressed felt was as good as a woven felt. That is the story of red tape. Everything must be absolutely perfect. Well, this has no importance, whatsoever; there is something more important.

Mr. HARRIS (Danforth): Skip it.

Mr. POULIOT: I want to be fair to hon. members opposite, and that is why I consult the text of their spoken words. I would refer the leader of the opposition to his speech as reported at page 914 of *Hansard*—and he may check *Hansard*, if he wishes—and hon. members opposite, his supporters, may do so until they select a new leader. They, too, may check *Hansard*. He said:

> This whole question of the mobilization of the man-power and material resources of the country is so important that authority ought not to be lightly and without careful thought delegated to any minister.

In this I agree with him. Then again at page 922 the Prime Minister (Mr. Mackenzie King) said:

> I wish to make it perfectly clear that the mobilization is intended to provide men for all kinds of war work, of which services in the military forces is only one.

And he added this:

> It is important therefore that I should make it quite clear that the essence of the measure is that the government is to be empowered to direct the men and the material equipment of this country into the work most urgently needed in the present crisis.

I fully agree with that. Then, something further of importance was mentioned at page 921 of *Hansard*. Two ministers are involved; one is to have some powers under the measure, and other powers are to be given to the Minister of Labour (Mr. McLarty). I quote the following words of my leader:

> The Minister of Labour would be given power to direct any person to perform any services required of him—to prescribe the terms of remuneration, the hours of labour and the conditions of service.

Then, farther down on the same page:

> The Minister of Labour had been given the responsibility of supplying the labour required for the programmes of the various departments. He proposed to set up a production council consisting of representatives of the chief government departments concerned with munition supplies. A director of labour supply would be set up, training facilities would be established, et cetera. What I have set forth illustrates the scope of the measure as it was put through. It gave the government power to deal

with any and every situation which might arise at a moment of great crisis or emergency.

And again on the same page:

In order to have the powers as broad as possible they have been made all-inclusive, to include the mobilization of human and material resources.

There is something else. The Minister of Munitions and Supply referred to the Canadian Industries Limited. For several months this government has been freed of the sinister influence of Mr. Arthur B. Purvis. I do not want that sinister influence to be continued by another man. Who is Tom Moore? I ask hon. members to turn to pages 2378 and 2379 of *Hansard* of April 28, 1938. My great fear was that should a Tory government be returned to power there would be conscription, not only for home defence but for overseas service.

An hon. MEMBER: We have it now.

Mr. POULIOT: Let the hon. gentleman take his pill; he needs it. We would have conscription, not only for home defence but for overseas service. We would have a national government and we would have a formidable trust which would cover every kind of production in this country. That was my fear. Not long ago, speaking along the same lines as the hon. gentleman, I expressed that fear to my people in no uncertain language. I spoke to them with the sincerity I always have when I rise in my place in this house. I told them that if the other party were to come to power, we would again be faced by a man who was described by the then leader of that party as being more capable than the present Minister of Finance (Mr. Ralston)—Mr. Purvis. This man has had a sinister influence upon the public life of Canada.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: I have a right to say that under the rules of this house.

Mr. ROWE: The hon. member has no right to say that.

The CHAIRMAN: The committee is considering section 2 of the bill. I think we have given considerable latitude, and even longitude, in connection with freedom of debate. I ask the hon. member to stick more closely to the section under discussion.

Mr. ROWE: Is "sinister" parliamentary?

Mr. POULIOT: In order to make my point, both latitude and longitude will be necessary. I have only a few words to say on this point. It is not my business to dictate to my leader or anyone else. I simply express my own feelings, as did the hon. gentleman. It is the privilege of the Prime Minister to select whatever assistance he needs from among his supporters, both inside and outside the house, whether or not they have been Tories previously. As the hon. leader of the opposition said very aptly, that is his privilege. But I cannot accept Tom Moore as one of my leaders, should he be called to sit at the council table. I cannot agree to the putting into force of legislation to bring about the amalgamation of our railways and the formation of trusts which will kill the initiative of our people, increase the cost of living and render life in our country unbearable.

Mr. COLDWELL: Mr. Chairman, I shall be brief. Upon looking over the regulations issued by the government in connection with labour conditions, I must say that I find them fairly satisfactory. There is one thing which seems to be omitted. Section 14 of the British National Service (armed forces) Act, passed on September 3, 1939, reads:

It shall be the duty of any employer by whom a person called up under this act for service or by whom a member of His Majesty's reserve and auxiliary forces called out for service under the permanent enactments relating to those forces, whether before or after the commencement of this act was employed when he was called from his civil employment for service connected with the present emergency, to reinstate him in his employment at the termination of that service in an occupation and under conditions not less favourable to him than those which would have been applicable to him had he not been so called as aforesaid, and if he fails to do so, the employer shall, subject as hereinafter provided, be liable on summary conviction to a fine not exceeding fifty pounds; and the court by which any employer is found guilty of an offence under this subsection may order him to pay to the person whom he has failed to reinstate a sum not exceeding an amount equal to twelve weeks' remuneration at the rate at which his remuneration was last payable to him by the employer.

It seems to me that this is a very important provision. When a man is called up for service he should have the right of being reinstated without loss of seniority or any other privileges which would have accrued to him had he remained permanently employed.

I think also the government should do something, under either this or some other bill, to protect the general public and the working people in particular from any undue increase in rents. I have received a number of communications from various parts of Canada, including this city, pointing out that advantage is being taken of the present situation by landlords to raise rents. In Great Britain there is a rent control or restriction act, and I think the government should give some consideration to this particular problem at once.

If the Prime Minister intends to speak again, there is one other matter I should like him to deal with. I intended to ask him for an explanation of this point this afternoon, but I omitted to do so. At page 854 of *Hansard,* the Prime Minister is reported as saying:

> National registration will also provide the government with an inventory of the mechanical and industrial skill of our population. Such an inventory will prove valuable in affording additional information on the extent of our resources of skilled labour which can be drawn upon to meet the needs of essential war-time industries.

Then follows this interesting sentence:

> It will also show the directions in which intensive industrial and technical training is most urgently needed to provide an adequate supply of labour to meet the growing demands of our war industries and other essential services.

I was wondering what the right hon. gentleman had in mind, whether it was an extension of technical education using our present technical schools and institutions, or whether he had some plan for the training of young men for work in industrial plants. I should be glad if we could get some information on that point.

Mr. MACKENZIE KING: May I answer the hon. member for Rosetown-Biggar (Mr. Coldwell) immediately in reference to the last matter to which he has referred. In making the registration an effort will be made, so far as can be done within a limited compass, to ascertain the experience men have had in particular trades, particular callings, and in different walks of life, which may be of service in connection with our war effort. When the government finds it necessary to seek numbers of men to perform particular duties we shall then have in the inventory a guide at least to what men may be available for particular purposes. At this moment a committee of government officials is at work upon what might be called the questionnaire which will be submitted when the citizens of the country are asked to register so that the government will have an inventory of the human resources of our country. It is almost certain that before this war proceeds further, there will be an ever increasing need for certain classes of war materials. There may be a number of young men in the country who will have had technical training in certain classes of work but only up to a certain point; and if it were known to the government that they had received a certain amount of training along technical lines these men might be drafted immediately into a study group, or whatever name would be appropriate to describe a group undergoing further technical training to qualify them to perform the kind of skilled work which might happen to be most needed at the time. I think my hon. friend will agree at once that there are large numbers of young men who have received technical training up to a certain point but not sufficient training to enable them to be entrusted with completing, say, certain parts of an aeroplane, tank or other instrument of warfare; but with very little additional training they might quickly become skilled for that class of work. That is the kind of thing that was thought of in that connection.

May I thank my hon. friend for his words of appreciation with regard to the order in council which I tabled to-day setting forth the government's declaration of principles to govern during war time with respect to labour conditions, and which is intended to prevent so far as possible at a time of war anything in the nature of industrial unrest.

My hon. friend referred to one omission which he noticed, but may I point out to him that until some measure respecting compulsory enlistment had been placed on the statutes it would hardly have been a right thing to insert a clause in the declaration of principles with regard to how men who had enlisted under a compulsory measure were to be treated in the matter of their employment after having served for a time. The declaration of principles which I tabled to-day was drawn up some days ago; in fact, before the present measure was introduced in the house. As a matter of fact, something very similar has been in the hands of the Minister of Labour for some time past. Naturally any clause intended to protect men who might be compulsorily enlisted would not properly come into the declaration before a measure respecting compulsory enlistment had been enacted. After we have a compulsory service law in force in this country it may be necessary to supplement it by a clause such as appears in the English act, and which came into the English act after their compulsory Military Service Act had gone into effect.

May I remind the committee that when the hon. member for Rosetown-Biggar was discussing the present bill yesterday, I think it was, he sought, as I thought at the time, to impose a condition upon which his support of the measure depended. I told him very frankly at the time that I could not accept any condition at all, that I could not permit any coercion by way of being obligated to accept a condition before having this bill passed by the House of Commons. I said I would be glad to give to him later the particular declaration of principles that had been worked out between the government and

labour, but that I would not give it to him as a condition of his support of this particular measure.

The house will also recall that this afternoon the hon. leader of the Social Credit group or one of his followers introduced an amendment to the bill to provide that the government should undertake to see that the Bank of Canada would do all the financing of the war effort of Canada, and both groups, the Co-operative Commonwealth Federation and the Social Credit, if I am not mistaken, intimated that they would have to support that amendment unless I would give them an undertaking in advance as to what the government would be prepared to do with respect to the Bank of Canada in its relation to the powers given the government under this measure. Again I said frankly that I would not be bound by any condition with respect to this measure, nor did I feel that any member's vote for the bill should be made conditional upon anything other than the merits of the bill itself.

I am sure my hon. friend the leader of the opposition (Mr. Hanson) will feel that if I have been obliged to take that position with respect to two important groups in this house, I would equally be obliged to maintain the same position with reference to himself with regard to any condition which he might seek to impose as a condition of his support or that of his party, of this measure. Let me say at once that the measure is before the house and my hon. friend knows perhaps better than anyone else on that side how important it is that this measure should go through with the least possible delay. I cannot and will not at this time agree to any condition as one which must govern with respect to the passage of this measure other than the merits of this measure itself.

I had not expected that the question of national government would come up for discussion at this time and particularly in relation to this measure, but since my hon. friend has mentioned it and has spoken of governments in other countries having found it desirable to form national governments as the war has gone on, may I remind him that in those countries which have formed national governments of the character he has described, that course has been taken owing to the fact that the governments have been in office for a considerable period of time and saw no other way of avoiding a general election whereby the people themselves could express their views. They could see no way of bringing on an election at the time they normally should, and therefore they sought to perpetuate themselves in office by making arrangements which would avoid the necessity of a general election and of any expression of opinion on the part of the people. They have in that way managed to avoid what is the practice if not also the law of the constitution, that a general election should be held once in so often in order to maintain the rights of the people to assert their own control over parliament.

Mr. MacNICOL: What the Prime Minister has said does not apply to what has just taken place in the United States.

Mr. MACKENZIE KING: What has happened in the United States is a matter of their own internal economy. I cannot say what may have actuated the president in taking into his administration one or two gentlemen who were his political opponents; but I think I can give a reason. According to the constitution of the United States a general election will have to take place in the course of a very few months, and it is quite conceivable that the president himself may wish to adopt some course of action before an election takes place which would not be possible for him without bringing into his administration the gentlemen whom he has brought in at this particular time. But as I say, I cannot tell what motives may have governed the president, and it would be quite improper for me to try to express an opinion on a matter of domestic concern to another country; what I have said is said only as a matter of surmise.

Since my hon. friend has brought up the question of national government, may I ask him and others this question: Who was it that made national government an issue in the last campaign in Canada? It certainly was not myself. My hon. friend to-day sits with those about him as the leader, I think I am right in saying, of a Conservative party. Before the general election, when I was occupying the position which I am occupying at the moment, I was facing hon. members who were members of a Conservative party; and when I appealed to the country I fully expected that my chief opponents on the platform would be members of the Conservative party. But, as the campaign went on, the Conservative party completely disappeared, and not one of the hon. gentlemen opposite was returned as a Conservative; all of them were returned as national government candidates.

Mr. ROSS (St. Paul's): No, sir. Excuse me; I am returned as a Conservative supporting National government.

Mr. POULIOT: The exception confirms the rule.

Mr. MacNICOL: I am another.

Mr. MACKENZIE KING: My hon. friend, who is the most loyal of men, must then have deserted or been forced to desert his leader on that occasion. I would say that that is not always the best way to get into parliament or the best way to stay there. However, it is the fact that as the election progressed we had four parties, or at any rate four groups, contending. There was the government of the day, which was led by a Liberal administration. There was the Social Credit party, which by the way rather went back on itself and ran under the name of the New Democracy. I have not yet got quite clear in my mind which party it is, or whether they still retain both names. I believe they do. Then there was the Cooperative Commonwealth Federation. And the other party was the National Government party. As a consequence, the people have already expressed themselves in regard to national government.

Mr. HARRIS (Danforth): May I just make an observation?

Mr. MACKENZIE KING: Very well.

Mr. HARRIS (Danforth): I was going to ask the Prime Minister, are we to continue this burlesque all evening?

An hon. MEMBER: Who started it?

Mr. HARRIS (Danforth): There is a war on.

Mr. MACKENZIE KING: May I say to my hon. friend that if a national government is a burlesque, he must credit his leader with having begun the burlesque, because I certainly did not bring up the subject. And I am speaking quite seriously. I think it is very important that the position should be clearly understood.

As I have said, the parties which were before the country were the four I have mentioned. As a result of the voice of the people, as I recollect it, of 245 members returned to this parliament, thirty-eight were elected as those who stood for a so-called national government.

Mr. HOMUTH: And the rest, as anti-conscriptionists.

Mr. MACKENZIE KING: Those who were anti-conscriptionists were against conscription for service overseas, and as long as this government is in office we are going to maintain that position and see that effect is given to it. That is just one of the reasons why, in carrying out the will and the wishes of the people, we do not propose to take into this government any of those whose object in coming into the ministry would be to see that conscription overseas was again made one of the issues in this country.

I wish just to add, so far as a national government is concerned, that I think a party which represents in this parliament some 183 members out of a total membership of 245 may pretty well claim to be a "national" government in the truest sense of the word.

One further word. When the present administration appealed to the people, it did so after the war had been in existence for some time. The policies of the present administration were known. So also was the personnel of the administration. All were before the country, and the majority by which the people returned the present administration indicated pretty clearly that the government which they wished to have carry on the affairs of the nation during this war was the government whose policies they supported in the election. More than that, the fact that in that campaign every member of the administration from the Atlantic to the Pacific was returned is another evidence of how well-satisfied the people were with the government of the day.

An hon. MEMBER: Hear, hear.

Mr. MACKENZIE KING: I will leave the matter there for the present. My hon. friend says "Hear, hear." I should be glad to hear from my hon. friend the leader of the opposition who are the particularly strong men in the group about him whom he feels should be brought into the administration at the present time. I hope he will not ask me as the leader of the administration to accept as a colleague any of those in the front benches before me who have said that they thought I was quite unqualified to be the leader of a government at the present time.

When I take into the administration additional gentlemen in order to strengthen it, one of the first qualifications which I shall require of them, as of anyone else, is, loyalty to myself, and not a disposition to stab the leader of the party in his breast when he is trying to serve his country to the best of his ability at a time of war.

I am just as ready as anyone else can possibly be to endeavour to strengthen this administration. Two or three times in the last few days I have indicated to the country and to parliament that I have had very much in mind the desirability of bringing into the administration one or two or more gentlemen who will help to give, in the minds of the people, an assurance of added strength with respect to the administration. But let me say to my friend the hon. member for Témiscouata that I am going to make the

choice of the men I wish for this ministry, and if I think it best to choose any particular gentleman to fill the position of Minister of Labour because I think he commands the confidence of labour better than anyone else in this country, I propose to decide accordingly and to decide without fear of any kind whom I intend to have in the cabinet. As Prime Minister I propose to exercise to the full the authority given to me to select men in whom not only I have confidence but who I believe will serve to increase the confidence in the administration existing throughout the country; and I shall not be influenced in the making of that choice by other than my sense of profound duty in this grave situation.

My hon. friend the leader of the opposition mentioned one other matter. He asked whether before this measure passes I would give an undertaking that I will not prorogue this session, but adjourn. In a previous session of parliament I gave one undertaking, which was that I would not dissolve parliament until after parliament had at least been brought together. I held to my promise in that regard, but I learned one lesson which I shall not forget, and which I intend to keep in mind at the present and at all times. It is this, that at no time should a Prime Minister tie his hands with respect to what he may wish to do with respect to the life of parliament. I propose both with respect to adjournment and prorogation, and, if needs be, dissolution, to exercise my full authority as Prime Minister at the time I think it may be necessary to exercise it and in the way I think it is necessary to exercise it. And I shall not have my hands bound in any way.

Section agreed to.

On section 3—Limitation in respect of service overseas.

Mr. BROOKS: The Prime Minister in speaking the other day mentioned the fact that we had troops in Newfoundland and Iceland and some other territories adjoining the coast of Canada. Section 3 reads:

> 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.

It occurs to me that, in view of Newfoundland being so near to Canada, and Iceland, and St. Pierre and Miquelon which may possibly pass to other hands than the French, and because the coast of Labrador is a part of Canada geographically although a part of Newfoundland politically, this section might be amended to read, "in or adjacent to Canada."

It does seem anomalous that we can raise troops for the defence of Canada but could not send those same troops to Labrador or to Newfoundland or even to the islands adjacent to our coast for the protection of our own country. I mention that, and feel that an amendment is necessary permitting the sending of our troops to these areas for our own protection.

Mr. MACKENZIE KING: The suggestion my hon. friend has made is a natural one to make, and in many particulars would commend itself to me immediately, were it not that it might give rise to some confusion in the minds of some hon. members and people throughout the country were the scope of this measure as it is at present in the powers it gives the ministry to be enlarged in any way. Up to the present there has been no difficulty whatever in getting the necessary men to serve outside Canada without compulsion, and I think for the present we had better keep this bill in exactly the form in which it has been brought down, and not seek to amend it at all.

But may I thank my hon. friend for speaking of these outlying areas, particularly referring to Iceland? It enables me to give a word of explanation which perhaps is necessary in view of a wrong impression that I see conveyed in some quarters in the press. There seems to be an impression that the men who have gone from Canada to Iceland were part of the first Canadian division. They were not. The first Canadian division is overseas entirely. The men who have gone on the first contingent of a new expeditionary force are men who have been sent since the first division crossed, and did not belong to the first division at all. I want to make that clear. I say to my hon. friend that I think he will find that so far as Iceland and territories immediately adjacent to Canada are concerned, we shall not have any difficulty in meeting the situation there without making an exception to what is intended by the government in the matter of there being no conscription for overseas service.

Mr. HANSON (York-Sunbury): I regret that the Prime Minister has taken that rigid attitude. My colleague consulted me about this matter to-day; it had not occurred to me. But I have been in Labrador. I suppose not many hon. members have been there. Labrador is full of fine harbours and tablelands which would be very convenient taking-off places; much more convenient, I suggest, than Iceland. I hope the government will give consideration to this suggestion. It is offered in the utmost good faith.

Mr. MACKENZIE KING: Oh, absolutely, I appreciate that.

Mr. HANSON (York-Sunbury): It is not intended to embarrass the administration in any way. By the insertion of two or three or half a dozen apt words this section could be amended to take care of the situation. Places could be named if necessary. I could do it very quickly. I did not draft anything at all because I really thought that the Prime Minister would accept this suggestion without any reservation or delay. I ask him still to consider it. There are numerous fine harbours right opposite the strait of Belle Isle which, if taken, might constitute a menace to the province of Quebec and adjacent territory. I would press this upon the Prime Minister. I do it with the utmost good faith, because I have been over the territory to a certain degree.

Mr. MACKENZIE KING: My hon. friend will realize that the matter of the extension of any provision of this measure is one that I would certainly wish to consider with my colleagues before attempting to make a final pronouncement with respect to the action to be taken. But as I have said, apart from that altogether, if there were doubt in my mind concerning the securing through voluntary enlistment of the forces that may be required to go to these places, I might feel differently on the matter. My hon. friend may rely on the government watching with great care the very matter that he has suggested and which the hon. member who proposed the amendment had in mind in proposing it.

Mr. POULIOT: I understand that in virtue of this legislation various classes will be called in turn. May I ask the Prime Minister if, when a certain class of conscripts is called, the conscripted men of other classes could enlist for home service without at the same time being obliged to give their consent for overseas service?

I want to make it as clear as possible. In virtue of this section various classes of conscripted men will be called in turn.

Mr. STIRLING: We do not know that.

Mr. POULIOT: And I would ask the Prime Minister whether a man who does not belong to the class that is called can enlist for home defence without being obliged to give his consent to serve overseas.

Mr. MACKENZIE KING: Anyone may enlist for home defence; and if there are some who are not inclined to enlist for home defence and the necessity for their enlistment should arise, this measure will give us the power to compel them to enlist. I do not know that I grasp the further point of my hon. friend's remark.

Mr. POULIOT: I understand that in virtue of this section certain classes of conscripted men are called in turn for home defence.

Mr. MACKENZIE KING: The method that may be followed in calling out men for home defence will be decided by the Department of National Defence, and no doubt the department will settle it in accordance with the need that may arise. There is nothing in this legislation that says men are to be called out in any certain order. All this measure does is to give the government authority to take such steps as may become necessary to protect the dominion. They may exercise that authority by having men called out to take a course of training so that they may be fit for fighting if the moment for fighting comes. If that moment comes, then men may be called out in one part of the country, or another, as the Minister of National Defence may deem most advisable; but there is nothing in this measure that obliges the government to follow any particular sequence in dealing with conscripted men. This provides for the mobilization of men for different purposes, some for military purposes, some for industrial and some for other purposes.

Mr. POULIOT: I want to make myself as clear as possible. I am speaking only of mobilization for home defence, and I want to know if a man not in the class that may be called for military service in connection with home defence may enlist just the same, without being obliged to agree to overseas service.

Mr. MACKENZIE KING: The answer is yes.

Mr. ROWE: Since the Prime Minister has stated that at present there is no sign of any necessity for conscription for overseas service, because there are plenty of volunteers—which I believe to be true—does he expect that there ever will not be plenty of volunteers for home defence?

Mr. MACKENZIE KING: I cannot say. I would rather expect that, in a young country like Canada, the moment it became generally apparent that there was danger of the country being invaded you would find an enthusiastic voluntary response on the part of Canadians. The one thought I would like to get over to the young men of this country is that, having regard to the rapidity with which events have taken place in Europe, and having regard to the state of unrest throughout the world at the present time, I hope none of

them will lose a moment in beginning to fit themselves physically for whatever service they may be called upon to perform, voluntarily or, if there is necessity, under the provisions of this act.

Mr. ROWE: I quite agree with the Prime Minister in that; I think compulsory training, if necessary, should be brought in at the earliest possible date, and I think it should apply to all men from the ages of sixteen to fifty. Following the question of the hon. member for Témiscouata, I should like to ask the Prime Minister whether, in the event that it should be necessary to go out and meet the enemy even beyond the borders of Labrador or Newfoundland, those who had been conscripted for home service would have the privilege of volunteering for that duty?

Mr. MACKENZIE KING: Why, certainly; anyone has the privilege of volunteering for any purpose.

Mr. DOUGLAS (Weyburn): I should like to draw attention to the fact that in line 31 on page 1 of the bill it is stated that this power may not be exercised in connection with overseas service. I understand, of course, that in legal phraseology the term "may not" has the same connotation as "shall not". I rise merely to draw the Prime Minister's attention to the fact that in addressing his own compatriots the other day as reported at page 877 of *Hansard*, the Minister of Justice (Mr. Lapointe) gave them the assurance that the section would be amended to read "shall not".

Mr. MACKENZIE KING: I thank my hon. friend for raising that point. As a matter of fact, I was going to draw attention to it myself, if no one else had mentioned it. There does appear to be a very natural impression among some hon. members that the word "may" as it appears in the bill gives a discretionary power, and that it does not mean "shall". That is a matter again of the construction of statutes. It is covered by the Interpretation Act. As my hon. friend has said, the Minister of Justice did mention that he would see that all doubts on that score were removed, and before he went away—he is unavoidably absent to-day—he left with me a memorandum signed by the deputy minister of justice, one of the law officers of the crown, setting forth the exact significance of the word "may" as it appears in this section. I should like to read the memorandum in order that it may appear in *Hansard*. It is addressed to the Minister of Justice and dated Ottawa, June 19, 1940:

1. Referring to the word "may" in the second line of section 3 of the bill, I beg to advise you as follows:—

2. The purpose of the section was to make it clear that the powers conferred by the bill might 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.

3. Inasmuch as section 2 of the bill is made subject to the provisions of section 3 no authority is contained in the bill to mobilize persons to serve in the military, naval and air forces outside of Canada and the territorial waters thereof.

4. In these circumstances I approved of the section as drafted, because both from the standpoint of good English and good legal draftsmanship the word "may" is the proper word to use, and the word "shall" is not the right word to use in this context. However, if the house prefers to substitute the word "shall" for the word "may" I see no objection to this being done, so far as the legal effect of the bill is concerned.

I imagine it would please some members, at all events, if the word "may" were changed to "shall", and if it is going to help remove all possibility of doubt someone might be kind enough to move for me that this section be amended accordingly.

Mr. CARDIN: I move accordingly.

Mr. HANSON (York-Sunbury): I suggest to the Prime Minister that he adhere to the original draft, which in my judgment is correct and does not require any amendment. I think the legal gentlemen will agree with me. It may be a good thing to appease a fear, but if the Prime Minister amends the bill in this particular I think he will be making a mistake from the legal point of view.

Mr. MACKENZIE KING: I had given my undertaking to the Minister of Justice to see that this was done if there was a desire in any quarter in the house that it should be done. Perhaps I may say to hon. members that in view of the statement I have just made in the name of the Minister of Justice, and the statement I am making in the name of the government—with, I am happy to say, the entire agreement of my hon. friend the leader of the opposition—hon. members who have entertained any doubts may feel that this would be even a greater security than changing the language of the bill. In that case we might pass the section as it stands.

Mr. DIEFENBAKER: I wonder if the Prime Minister would care to advise the house and the country when the first call will be made so far as the mobilization of man-power is concerned.

Mr. MACKENZIE KING: If I were in a position to do so, I would; but I am not.

Amendment (Mr. Cardin) withdrawn.

Section agreed to.

On section 4—Limitation.

The CHAIRMAN: Shall section 4 carry? Carried.

Mr. HANSON (York-Sunbury): No, it is not carried; but it will be carried shortly if you, Mr. Chairman, will be polite enough to let me speak. I have not delayed this bill, as I am sure all hon. members will agree; neither has any member of this party delayed it. The words "state of war" in the second line of this section have a distinctive meaning, as I understand the situation. I have not had an opportunity of looking up exactly what it means, or how long a state of war may be said to exist. We do know that under the War Measures Act the government proclaimed a state of war; I think that was the second order in council passed under that act. After the last war a state of war continued for some little time after the armistice. I am not sure just how long that was; but I am just wondering how long after the armistice may be completed—if it is completed—the country should be said to be in a state of war. This is a technical point, I admit. I suppose I should have hunted out the information, myself, but I thought there would be somebody on the government benches who would be able to say quickly just what the situation would be. I am sure if the Minister of Justice (Mr. Lapointe) were in his seat, he could make a statement. However, I should like to know what the government has in mind, because I believe there should be some limitation. We do not want to keep on the statute books provisions for compulsory military service when there is no necessity for them. I believe all hon. members will agree on that point. Can it be determined just when a state of war ceases to exist?

Mr. MACKENZIE KING: I can indicate to the leader of the opposition what the government had in mind: The state of war would exist until the signing of the peace.

Mr. HANSON (York-Sunbury): The formal peace treaty?

Mr. MACKENZIE KING: Yes.

Mr. HANSON (York-Sunbury): I think that would be satisfactory.

Section agreed to.

On section 5—Tabling of orders and regulations.

Mr. COLDWELL: Before the leader of the opposition (Mr. Hanson) or the Prime Minister (Mr. Mackenzie King) spoke this evening, I had on my desk an amendment to this section which I intended to move. I mention this point because I want to have it clear that my remarks are not prompted by what either the leader of the opposition or the Prime Minister has said. The powers conferred by this bill are very wide indeed. In Great Britain it is provided that the powers and regulations taken under their act must be tabled in the House of Commons within twenty-eight days of the making of such regulations. In a country the size of Canada it is quite impossible for this parliament either to remain in session indefinitely from day to day, or to be called together every twenty-eight days. But I think that, in times like these, this parliament should neither prorogue nor adjourn for a period of longer than, shall we say, ninety days.

We are not asking the Prime Minister to tie his hands or to give the House of Commons a promise. It seems to me the house should decide that the government ought to meet the House of Commons at least every ninety days for the duration of the war. That is to say, the house should neither prorogue nor adjourn for a period of longer than ninety days. If the matter of indemnity is raised, it seems to me we might surmount that difficulty by paying the indemnity once annually. Then, if subsequent sessions are called after adjournment or prorogation, there would be no further indemnity for any other session held within a period of twelve months from the beginning of the session for which the indemnity has been paid.

I believe the house owes it to itself and to the country, apart from any question of confidence or lack of confidence in the government or in the Prime Minister, to decide that when we are conferring such wide powers, powers which are almost dictatorial, we should see to it that all regulations made under the act are reviewed by parliament at least every ninety days or so. It is true that the government won the election, but to a good many democratic people in Canada it has seemed more than passing strange that in a country where we profess democracy, eleven and a half months should have elapsed without a regular session of parliament. In view of the gravity of the hour, in view of the situation facing us and in view of the wide powers we are conferring upon the government, we owe it to the people of Canada to lay down the stipulation that these wide powers ought not to be exercised unless they can be reviewed by parliament at least every ninety days.

I would remind the Prime Minister that all through the years he has been respected across Canada because of one distinguishing feature of his public career, and it has been this: There is no man in Canada who has

told the people more frequently that parliament is supreme and that parliament must decide. I suggest to-night to the Prime Minister that it is not a question of lack of confidence in his personality, or anything of that sort, but merely that in a country operating under democratic institutions, and where powers of a dictatorial type have been conferred by parliament upon the government, we ought to lay down a stipulation that for the duration of the war, during which such wide powers are conferred, parliament shall not recess either by prorogation or by adjournment for a period of more than ninety days. My own first thought was that sixty days might be better, but the ninety-day period has been suggested to me, and I believe it is a reasonable request.

Therefore, unless the government accepts my suggestion—in which event I should be pleased to withdraw my amendment—I move:

That section 5 be amended by adding at the end thereof the following words: "And parliament shall, for the duration of the war, not prorogue or adjourn for a period longer than ninety days at one time."

Mr. HANSON (York-Sunbury): May I say a word before the Prime Minister replies, and thereby give him a little more time to consider the matter? The amendment of course goes farther than I urged earlier in the day. What I had in mind—and I hope I made myself quite clear—was that I should like to see parliament not prorogue when the business of the session is concluded, but that it should adjourn from time to time. Some arrangement should be made whereby, if there was no necessity of meeting at the end of that period, parliament could be again adjourned. I do not know that I am expressing myself very well, but my point is this: Sometimes parliament prorogues to a certain date; and then it is further prorogued, and further prorogued, and then it is called for the dispatch of business. If some such modus operandi as that could be put into effect, it might meet the situation.

I believe, however, the government should give heed to the suggestion that we should not be dismissed now in July, and then not meet again until next January, February or March, or whatever time the government might see fit to call us together. This country is at war, and parliament ought to be consulted frequently. That is the democratic way, and especially in war-time. I know that we are living in a country of vast geographical distances, and that members from the Pacific coast or from the far east would be inconvenienced and would suffer hardships if they were to come here often. But I think we all were elected for a specific duty in war-time and we ought to be willing to make any sacrifice of time that we may be called upon to make. I urge the Prime Minister in the most conciliatory way that I can to give consideration to some such suggestion as this and incorporate it in the bill. These are dictatorial powers that are being granted. Since this debate began, I have tried to visualize the uproar the Prime Minister would have made had a Conservative government been asking for similar powers. He would have made the welkin ring. However, that is past and gone and I am not going to revert to it. I do suggest that he give some consideration to consulting parliament. Surely that is one of our democratic principles. He should be the first to accept it, having regard to his past record and his expressed opinions.

Enough for that. I should like to call the attention of hon. members to the last clause of section 5. These powers are to be carried on under orders in council or by regulation and this section provides that every order or regulation passed under the authority of this measure shall be tabled in parliament forthwith if parliament is in session. That is quite all right; that is just what the government ought to do. But when parliament is not in session, should the Prime Minister not adjourn parliament, it has been suggested by the hon. gentleman (Mr. Coldwell) who preceded me that we would have no opportunity of getting these orders in council until within two weeks of the opening of the next following session. I cannot believe that this is a proper provision.

Whoever drafted this section simply followed the usual form in connection with routine orders in council. But these are war measures having the force of legislation. These orders in council should be published forthwith in the *Canada Gazette*, and every hon. member of this house should be furnished with a certified copy. Surely that is a reasonable request. We ought to know immediately what they are. There is no provision in this bill even for publication in the *Canada Gazette*. I do not believe that was an intentional omission. I hope that the attention of the Prime Minister having been drawn to this omission, he will have it rectified. I believe he will see the necessity of letting the public know what these orders in council are. He may answer that this will be done through the newspapers, but that is not enough. That is not evidence. I suggest to the Prime Minister that when parliament is not in session, these orders in council be published forthwith in the *Canada Gazette* and that certified copies be sent to every hon. member of this and the other house. That will not cost very much money. Will the Prime Minister do that?

Mr. MACKENZIE KING: The suggestion made by the leader of the opposition is one that there should be little difficulty in accepting. I agree with him that this particular section has been drafted in the customary manner. I may say that in connection with the defence of Canada regulations the practice has been to have them published in the *Canada Gazette* and make a certain distribution of copies of the regulations apart from the *Gazette*. I do not know to what extent that is done, but certainly copies are sent to the leaders of the different parties.

Mr. HANSON (York-Sunbury): I agree with that, but anyone else must apply for them.

Mr. MACKENZIE KING: I would undertake to see that in connection with regulations made under this legislation the same practice is followed as is followed in connection with the defence of Canada regulations. Perhaps that will meet the request of my hon. friend.

Mr. HANSON (York-Sunbury): I do not think it does. What I want the government to do is to publish these orders in council forthwith in the *Canada Gazette* when parliament is not in session, and to have certified copies sent to members of the House of Commons and the other house. Let members of this house know what the government legislation is. I understand the defence of Canada regulations are published in the *Canada Gazette* and supplied to the leaders of the parties, but they are not supplied to private members unless they apply for them.

Mr. PINARD: They are, every one.

Mr. HANSON (York-Sunbury): Excuse me; they are not. They are not sent to private members except on application. I am sorry to tell the hon. gentleman that I have received the *Canada Gazette* for fifteen years, and unless a particular copy contained something special, it went into the waste-paper basket. I imagine that hundreds and hundreds of copies meet a similar fate. It may not be very respectful to the *Canada Gazette,* but I am afraid that is what happens.

Mr. MACKENZIE KING: Would it meet the situation if the government published the regulations in the *Canada Gazette* as they are passed?

Mr. HANSON (York-Sunbury): They might be put in a special issue.

Mr. MACKENZIE KING: Have them published in the *Canada Gazette* and then have reprints of the regulations struck off separately and sent to each member of parliament. My hon. friend is quite right in suggesting that this be done and I am glad he has made the suggestion.

The hon. member for Rosetown-Biggar has suggested that parliament should meet once ever so often, and he quoted what I have frequently said about the supremacy of parliament and the right of parliament to decide. Let me make my position perfectly clear in this regard. What I have said as to the supremacy of parliament has always referred to the supremacy of parliament over the government or the administration. Parliament is supreme as against the executive, but the people are supreme as against parliament. That is the point which I wish to make very clear. The supreme authority in the state is the people from whom parliament derives its authority.

It may become necessary to appeal to the people for an expression of their views. That right must be reserved to the administration and I intend to hold firmly to that. I am certainly not contemplating another general election at the moment, but I can imagine a situation which might arise where it would be necessary to appeal to the people. In the course of a war such as this, if matters were to take a turn whereby, because of certain circumstances it became impossible for parliament to carry on, I would not hesitate for five minutes to give the people another opportunity of expressing their views. I do not think it desirable that the Prime Minister should bind his hands for one minute with respect to the limit of time that we should carry on. My hon. friend suggests three months, but no one can tell what situation may develop within that time.

I can say frankly to hon. members that it is a source of comfort rather than the opposite to have parliament in session at a time such as this. I say that quite sincerely. There is comfort in the sense of knowing that where the situation is as serious as it is, the body of the people's representatives are here and can express freely their views, as can the government its views and what it is doing, in a manner which it is not possible to do through the press. I do not mean physical comfort in the matter of day to day attendance on parliament and carrying on the business that is expected of a member of the administration, but I do mean, and mean quite sincerely, that I would not wish a long period to elapse, with the country and the world in the state in which it now is, without having an opportunity of consulting members of parliament and having them fully informed with respect to what the government is doing.

Whatever action is taken by the administration, either in the way of doing anything or

of not doing anything, will always have to be taken in the light of its responsibility to the people of the country, and I cannot conceive of a government seeking to adopt any course in this period which would run counter to public opinion generally. By public opinion I do not mean the voice of one or two or three or four newspapers. I think the last general election made pretty clear what the public thought, as contrasted with what one or two particular newspapers in this country seemed to regard as public opinion, or sought to have others believe was the expression of public opinion. But I hope the day will never come when I cease to be sensitive to public opinion at large throughout the dominion. In the light of that attitude I certainly would wish to see that parliament carries on its proceedings as seems best in the interests of the country. All situations being considered and not knowing what situation may arise or what may happen from day to day, I wish to be perfectly free in the matter of deciding, after advising with my colleagues, when parliament shall be called, if that is necessary, when it shall recess, or if necessary when it shall prorogue and when it shall dissolve.

Mr. HANSON (York-Sunbury): May we ask the Prime Minister without any commitment, without any pledge, without any promise, without prejudice and all the other legal phraseology that I might use, to give consideration to calling parliament oftener?

Mr. MACKENIE KING: I will, with great pleasure.

Mr. STIRLING: May I suggest to the Prime Minister that it would be helpful if this certified copy were sent to each hon. member of either house of parliament immediately after it is published in the *Canada Gazette*.

Mr. MACKENZIE KING: Yes, that is right.

Mr. STIRLING: I understood that it was to be done when the house was not sitting, and I suggest that a certified copy be sent whether the house is sitting or not.

Mr. MACKENZIE KING: I shall be quite agreeable to that.

Mr. STIRLING: Will the Prime Minister please have that inserted in the bill? This clause surely will not stand as it is because it reads "shall be tabled in parliament forthwith if parliament is in session and, if parliament is not in session, within two weeks of the opening of the session next following". The other wording would have to be substituted for this.

Mr. MACKENZIE KING: I think both methods might be followed. We might leave the bill as it is and table all the regulations when a new parliament meets, and if parliament is in session table them from day to day, and supply hon. members with a copy of the particular order as it appears in the *Canada Gazette*.

Mr. HANSON (York-Sunbury): Let me draft an amendment now for the Prime Minister. We might say: "and if parliament is not in session then every order or regulation passed under the authority of this act shall be published forthwith in the *Canada Gazette* and certified copies thereof be sent to every member of the House of Commons and the Senate of Canada forthwith". There is your amendment.

Mr. COLDWELL: I might have sent a copy of the amendment to the Prime Minister had I had an extra copy by me. I think he has misinterpreted the amendment. The amendment is not intended to prevent the calling of parliament every week if the Prime Minister should so desire, nor is there any attempt to limit the right of the Prime Minister to decide upon dissolution. But when we are giving such dictatorial powers as are being given by this bill, I think parliament should not recess for more than ninety days at a time. That is the only intent of the amendment.

Mr. MACKENZIE KING: May I say to my hon. friend, and I think he will appreciate this, that I have in my mind at this moment a situation which I should like to have dealt with in the last few hours; in fact, yesterday I would have been glad to have been able to deal with it under the powers given by this bill. But the action which the government would wish to take is to anticipate something that is expected, and if every order is to be immediately printed and distributed, immediately it becomes public the whole purpose of that particular action might be defeated. These are double-edged swords, and while I have every desire to meet every wish of hon. members that is reasonable, at the same time I think in times like these the government ought to be permitted in connection with the distribution of some at least of these orders to exercise a wise discretion as to the moment at which publicity should be given to them. In other words, if giving publicity to a particular order is going to defeat the end for which the order is intended, it should be understood that the government will have the right to reserve publication of that order, but of course it will be accountable to parliament later on for the reservation so made.

May I say this further. Hon. members have referred to the extent to which I would have exclaimed had these powers been taken at other times and the extent to which I did exclaim when similar powers were taken. But when I spoke I was speaking of powers taken in times of peace and I always made an exception with respect to what might be necessary in times of war. I think every hon. member will see that the authority and discretion of the executive has to be enlarged in time of war in a manner which would not be necessary in time of peace. I just want to make that clear because it does explain the difference between my readiness to denounce extreme powers being granted to the executive in time of peace and the necessity, which in many respects I greatly deplore, of the executive having to have enlarged powers in time of war.

Mr. TUCKER: I would point out to the Prime Minister that the very purpose he has in mind with respect to reserving publicity concerning certain orders would be defeated by the wording of the section as it now stands, because it says that if parliament is in session you must immediately table every order, and so it becomes public property at once.

Mr. MACKENZIE KING: I was pointing out that while that provision is there, I would feel that an explanation could be given to parliament which would be thoroughly satisfactory and which would meet a situation of that kind. I should like to reserve the same right in respect to the period between sessions of parliament.

Mr. HANSON (York-Sunbury): I am certainly impressed in a degree with the reasons the Prime Minister has given. But let me say to him that the ordinary way of doing this in Canada, and the way in which it was done in England with respect to the conscription of man-power, was by public statute. The marshalling of man-power in England was not done by regulations under the law of May 22. It was done with meticulous care by parliament itself in a public statute. I think we must ask the government to go that far and to let the public know just how they propose to take people for military service, and let the financial institutions know just what they are expected to do under the regulations.

Mr. MACKENZIE KING: No trouble as to that at all.

Mr. HANSON (York-Sunbury): A question of treason or sabotage would be dealt with under another law altogether. I really cannot imagine for one moment anything which the government might want to do under this act—they might wish to do something under the other act—which they would not want the public to know about, and therefore I have drafted an amendment which I submit again and which covers not only the point I raised myself but the point raised by my colleague. I suggest that section 5 be amended to read:

> 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 the Senate forthwith.

The CHAIRMAN: I did not want to interrupt the leader of the opposition, but I must draw his attention to the fact that we have before the chair the amendment of the hon. member for Rosetown-Biggar, and it must be disposed of.

Mr. HANSON (York-Sunbury): Excuse me.

The CHAIRMAN: Or this could be an amendment to the amendment.

Mr. HANSON (York-Sunbury): No. I would prefer to move it after the hon. member's amendment is disposed of.

The CHAIRMAN: If the leader of the opposition will wait a few minutes, we can dispose of it. Shall the amendment carry?

Mr. MACKENZIE KING: Which amendment? The amendment of my hon. friend with regard to the ninety days? No. I have given my hon. friend and the committee generally my views with respect to the necessity of the government reserving its rights as to adjournments and prorogations and dissolutions, and I think, with the situation as it exists at the present time, I cannot agree to have my hands tied in any way. It is not that I would not wish to meet my hon. friend in the matter of control by parliament, but because I cannot foresee what situations will arise. If I began to state them I think it might alarm everybody, and there is no necessity of trying to get the country unduly alarmed. I suggest that the government can be trusted to use a wise discretion in this matter. Why should we wish to be without a parliament at a time when parliament is really needed? May I add that it is doubtful whether parliament has the power to fix beforehand the duration of its sessions. I do not believe that would be constitutional.

Mr. COLDWELL: The amendment does not seek to do that.

The CHAIRMAN: Shall the amendment carry?

Amendment (Mr. Coldwell) negatived.

Mr. MACKENZIE KING: My hon. friend the leader of the opposition has suggested that section 5 should be amended so that it will read as follows:

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 the Senate forthwith.

My colleague the Minister of Finance (Mr. Ralston) has applied his legal draftsmanship to the expert task of adding the following to protect the situation to which I made reference:

Provided that any of the steps specified in this section may be omitted or deferred if the governor in council consider such omission or deferment necessary in the national interest having regard to the special circumstances.

If that is satisfactory, would my hon. friend like to move it himself?

Mr. HANSON (York-Sunbury): No; the right hon. gentleman had better move it.

Mr. MACKENZIE KING: I doubt if I have the right to amend my own bill.

Mr. HANSON (York-Sunbury): I have had too many honours thrust upon me.

Mr. RALSTON: I move the amendment.

Amendment agreed to.

Section as amended agreed to.

Section 6, preamble and title agreed to.

Bill reported.

Mr. MACKENZIE KING moved the third reading of the bill.

Mr. MacINNIS: Before this bill is read a third time, there is a word that must be said from this corner of the house. When parliament met in special session last September, the Prime Minister pleaded for the cooperation of all parties and groups in the house. This group, as far as we could, have tried to cooperate. We have not, I am sure, caused the Prime Minister or the government any embarrassment. We are now faced with a bill which asks for the widest of powers; as the Minister of Public Works (Mr. Cardin) said two evenings ago, this is the broadest blank cheque ever given to its executive by any parliament. I presume that means just what it says—any parliament in any country—that is, provided the parliament was to continue.

We appreciate the fact that the times call for wide powers for the government, and we are anxious to give the government those wide powers. Consequently we are not opposing the principle of the bill. But we do want assurance that in carrying out the powers given to it the government will not carry them out in one direction only. We know from past experience that when this bill passes, the compulsory features of the bill as applying to the human resources will be carried out as and when necessary. We have not the assurance, we do not know, that these compulsory features will be carried out with regard to the material resources of the country. As a matter of fact, the Prime Minister has told us that as far as enlistment is concerned either for home defence or for overseas, there is no need for compulsion at the present time. But there is need for compulsion in this country with regard to the use of the material resources of the country, because the "two hundred families" in this country who own the resources of Canada are not giving that cooperation which is necessary at this time. Their prototypes in both Great Britain and France have held up the productive effort of these countries, to the disaster at least of France. We are far from satisfied that the compulsory features in the bill will be applied to these interests. What do we see to-day? There is hardly a big business interest in the country that is not now represented in an advisory capacity to the government. These people are strong in the councils of the government.

The Prime Minister, speaking on Tuesday evening, repudiated even the suggestion of the idea that the human element would not be given every consideration. Let me tell the Prime Minister that on October 14, 1935, when he heard of his election and the election of his party, he said in a radio address broadcast over the whole of this dominion that the first, the supreme concern of his government would be to alleviate the distress which was then prevailing because of the poverty of the great mass of the people. That distress still continues, and he has done nothing about it. Nothing has been done about it. As I said the other evening, the rich are becoming richer and the poor poorer.

In my own city of Vancouver last October, young transients who had applied to the provincial relief office for relief were arrested in front of the office, and one of them was given six months in gaol as a vagrant. Another was given three months. He appealed his

case, and the judge who heard the appeal upheld it because he said there was no evidence whatsoever to show that the person was a vagrant in the sense stated in the charge. But before that took place, this other man who was given six months had served practically four months in gaol, and he was released only after I made representations to the Department of Justice at Ottawa. This is not an isolated case; there are hundreds of them, thousands of them, which is proof positive that the human element is not being taken care of.

This evening and all through the discussion of this bill the Prime Minister has rejected every offer, every suggestion made by hon. members in this corner of the house, and has stated in the most emphatic language that he would not have his hands tied in any way whatsoever. There is no use in asking people to cooperate unless you are willing to cooperate. It takes two at least for cooperation. We have tried to cooperate, and all our efforts have been rejected. There is nothing further for us to do except to use the few privileges that are left to us as long as parliament is in session. Under the provisions of standing order 77, paragraph 813, I move the following amendment, seconded by Mr. Coldwell:

That the bill be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it so that the governor in council shall not authorize the compulsory mobilization of human resources until he has first authorized the compulsory mobilization of essential war industries and financial institutions.

Mr. MACKENZIE KING: Mr. Speaker, I should like to ask Your Honour, whether you regard this amendment as in order. It seems to me it takes away from the governor in council the power which the measure is intended to give, and changes the direction in which the government may exercise its authority. It is against the principle adopted in the bill.

Mr. SPEAKER: Does any other hon. member wish to speak to the amendment?

Mr. MacINNIS: I thank you for the opportunity, Mr. Speaker. I wish to direct your attention to paragraph 813 of standing order 77, which reads:

When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular. The motion for third reading is debatable under standing order 38. Or the bill may then be ordered to be reprinted or committed to a select committee. Bills may be recommitted a number of times with or without limitation; in the latter case, the whole bill is opened to reconsideration, but in the former case the committee can only consider the clause or amendments or instructions referred to them.

I think that is all I want to say in that regard, and I believe it is quite clear.

Mr. SPEAKER: Does any other hon. gentleman wish to speak to the amendment?

Mr. NEILL: I would point out that the amendment is worded contrary to the rule. It should read "with instructions that they have power to amend." It is not in order to give a direct command to the committee. The usual form is to refer it back to the committee with instructions that they have power to amend. It cannot be made mandatory.

Mr. SPEAKER: Does any other hon. gentleman wish to speak? The amendment as moved does limit the bill, in the scope of the bill, and therefore in my opinion the amendment is not in order. Also, as is pointed out by the hon. member for Comox-Alberni (Mr. Neill), it should be referred back to the committee with instructions "that they have power" to amend it. I therefore rule the amendment out of order.

Motion agreed to and bill read the third time and passed.

VACANCY

Mr. SPEAKER: I have the honour to inform the house that I have received a communication from two members notifying me that the following vacancy has occured in the representation, viz:

Of Honourable Norman McLeod Rogers, member for the electoral district of Kingston City, by decease.

I have accordingly issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—UNDERTAKINGS IN GENERAL INTEREST AND FINANCIAL ASSISTANCE TO PROVINCES

The house resumed from Tuesday, June 18, consideration in committee of Bill No. 42, to assist in the alleviation of unemployment and agricultural distress—Mr. McLarty—Mr. Vien in the chair.

On section 1—Short title.

Mr. McLARTY: I should like to answer one or two questions which were directed to me during the discussion on the resolution preceding this bill. My first answer is to the

leader of the opposition who inquired as to the amount of real money involved in this measure. Perhaps I can best serve the purpose by referring the hon. member to page 17 of the estimates, where I think his question is completely answered. I am sure he will not wish me to read it. It will of course be dealt with on the estimates.

Then the hon. member for Lethbridge asked for a report as to the result of the canvass which was made by the interdepartmental committee involving war industries. This report covered two points. First, it dealt with the number of men immediately required by those particular industries engaged in war work, and the canvass showed that 7,721 were required immediately, while in those industries in which assistance would be required in the near future, the report indicated that the number they would require would be 9,327. Those are the figures that were obtained by the committee through a canvass of those industries engaged in war work on present contracts.

Section agreed to.

Section 2 agreed to.

On section 3—Agreements with provinces and others.

Mr. MacNICOL: In the Toronto newspapers of June 15 an announcement appeared in regard to the opening of technical schools for summer training, in which it was stated that the federal and provincial governments would share the cost of operating those schools to train young people for work in factories. Is that correct?

Mr. McLARTY: Yes, it is correct, but we are trying to enlarge it to much more than that. We are not limiting it to the younger people but are including the retraining of those who need retraining in connection with employment in war industries. Not only, however, does that apply to the city of Toronto; I think I am safe in saying that it applies to every technical school in Canada possessing the necessary facilities.

Mr. DOUGLAS (Weyburn): I should like to direct attention to the fact that this bill is the same as in other years except that one section is being dropped. Last year that was section 3, which in its first clause provided for the governor in council, out of moneys appropriated by parliament, executing such undertakings as the governor in council might determine to be in the general interests of Canada. The second part of that section provided that unemployed persons on relief should be used on these undertakings.

I think it is unfortunate in the extreme that this section is being dropped. In 1935 the present administration was elected largely on the policy, as set out by the Prime Minister at that time, of setting up a national employment commission for (a) the providing of relief for those in necessitous circumstances and (b) to provide work for the unemployed. What we in this corner have complained about year after year when these bills have come down is that while the (a) part of the Prime Minister's promise was looked after in some fashion—we felt too niggardly a fashion—the (b) part, providing that the unemployed would be put to work, was looked after but very little, and there was no definite, constructive policy to deal with the question of unemployment. Year after year we have witnessed the same bill brought down providing the same subsistence for the people on relief, with a few undertakings to put people to work, such as farm placements, forestry work and so on. We have said we ought to be having less and less relief, as it has been dispensed, and more and more public works and government undertakings to utilize the services of people both in towns and on farms who want to earn wages.

Now we are witnessing the last vestige of the (b) part of the Prime Minister's promise fading into insignificance. This bill has now become nothing more or less than a dole bill. The last bit of provision for putting the unemployed to work is now apparently to disappear, and we are to sink into the position where we are to say to the many hundreds of thousands of people who, according to the government's own figures, are still getting relief, that we have nothing to offer, that we have no constructive policy, and that all we are now doing is to provide more grants in aid to the provinces to enable them to keep these people from actual starvation.

I think some explanation ought to be given why this section is being taken out. In the summary of the estimates for the present fiscal year it is noteworthy that of the $77,000,000 which has been cut off last year's expenditures, the sum of $4,827,000 has been taken off the Department of Agriculture, and $12,170,000 off the Department of Labour, and that chiefly off the expenditures for unemployment relief.

I noticed, according to the *Leader-Post* of May 27, that the government of Saskatchewan was greatly perturbed about the fact that the announcement of the federal estimates for this year would mean serious curtailment of work on highways, and roads into mining camps, all of which would make it less possible than it had been previously to employ people on

relief, and to give them some opportunity in the summer months to earn a few dollars to buy the commodities they need.

I do not think any government, whether it holds office in time of war or in peace time, can be content to allow almost ten per cent of its population to sink into a state of perpetual degradation, to permit them to live on relief and then come to this House of Commons year after year and present absolutely nothing by way of a constructive policy to meet conditions existing throughout the country; for, despite any statement to the contrary, the report of the commissioner of unemployment and agricultural assistance, tabled in the house a few days ago, shows that the situation in Canada is actually not much better than it was even before the war. I draw the attention of hon. members to figures published in that report. These are the figures by months of the total relief recipients for the province of Saskatchewan and for the Dominion of Canada.

1939:	Total relief recipients for Saskatchewan	Total relief recipients for Canada
April	342,620	1,004,856
May	320,473	923,421
June	307,569	839,326
July	298,512	805,654
August	281,909	802,652
September	55,083	539,013
October	65,741	543,883
November	93,384	585,696
December	93,645	629,246
1940:		
January	118,311	714,143
February	133,009	753,065
March	141,902	768,500

The month of March was the last month for which there were complete figures. May I point in particular to the sudden change which took place between August and September, 1939. A close perusal of these two columns of figures shows that any decline in the total is largely accounted for by the decline in the number of recipients in Saskatchewan. As the Minister of Agriculture (Mr. Gardiner) will no doubt certify, the drop in the number of relief recipients in Saskatchewan began in the month of September, and that was the month when the acreage bonus was supposed to be paid under the Prairie Farm Assistance Act.

Mr. GARDINER: Oh, no; the acreage bonus was not supposed to be paid until December. That was the month in which the wheat was threshed.

Mr. DOUGLAS (Weyburn): But the relief of those who were eligible to receive the bonus stopped in the month of August. August was the last month in which they received relief. There were 281,909 receiving it in August, and the number dropped to 55,083 in September, or a drop of about 230,000 people in one month. That was the situation in Saskatchewan.

I made no statement at all when the resolution preceding this bill was before the house, because the hon. member for North Battleford (Mrs. Nielsen), the hon. member for Mackenzie (Mr. Nicholson), and the hon. member for Yorkton (Mr. Castleden) outlined conditions in Saskatchewan. I thought they did it very well. As one who has travelled over a good part of Saskatchewan I knew that what they were saying constituted a fair portrayal of actual conditions. I was surprised when the hon. member for Assiniboia (Mr. Tripp) rose in his place and said that what the hon. member for Mackenzie was saying was not true. I was surprised when the hon. member for Wood Mountain (Mr. Donnelly) made an objection.

Mr. TRIPP: May I correct the statement of the hon. member? I did not say that all the statements of the hon. member for Mackenzie were untrue.

Mr. DOUGLAS (Weyburn): I read *Hansard* next day, and I understood *Hansard* to report it in that way.

Mr. TRIPP: I used those words in this sense, that all roses are not red, or that all men are not tall. That is the sense of what I said.

Mr. DOUGLAS (Weyburn): I will not argue with the hon. member. He explains that what he says therein is not what was intended. I am very glad to have his explanation. But what I want to say to the committee is that when the hon. member for Assiniboia, the hon. member for Wood Mountain, and any others objected to or differed from descriptions given about conditions in Saskatchewan, it was their duty, and it is still their duty before the bill is finally passed, to tell the committee just what the actual conditions are among the people in their constituencies, and among relief recipients in Saskatchewan. They should say how the people are getting along. I will tell the committee how they are getting along.

I now turn to the statement made by the hon. member for Assiniboia—and I quote, not with the intention of contradicting the hon. member, but only to show that I was not misquoting him. Turning to page 554 of *Hansard* I find the hon. member for Assiniboia made this statement:

> I was a member of the legislature in Saskatchewan for eight years, four of them being from 1934 to 1938, and I can say all the statements he has made to-day are not true.

Mr. TRIPP: That is exactly as I said it. But the meaning I wish hon. members to take from it is not that every statement of the hon. member was not true. That was not my meaning. As I said before, I used that expression in the sense that one might say that all roses are not red, and that all men are not tall. That interpretation is far different from the one the hon. member for Weyburn (Mr. Douglas) is now making.

Mr. DOUGLAS (Weyburn): In that event I think the hon. member for Assiniboia has the duty to tell the committee how much of what the hon. member for Mackenzie (Mr. Nicholson) said was true, and how much was not true.

Mr. GARDINER: May I just read the sentence uttered by the hon. member for Assiniboia:

> The hon. member has challenged other members of this house to get up and deny certain statements. I want to deny some of the statements he has made here to-day.

He does not say all of the statements.

> I was a member of the legislature in Saskatchewan for eight years, four of them being from 1934 to 1938, and I can say all the statements he has made to-day are not true.

He said, "I want to deny some of the statements he has made here to-day." Some of them were not true. The kind of misrepresentation the hon. gentleman is making is similar to his usual misrepresentation.

Mr. DOUGLAS (Weyburn): Is the Minister of Agriculture to be allowed to impute motives of misrepresentation to me or any other member?

The CHAIRMAN: I did not grasp that there was any motive conveyed. There have been statements of fact made by the hon. gentleman, and there have been denials of those statements of fact. When statements of fact are not true in the opinion of another hon. gentleman and he states that there has been a misrepresentation of fact and challenges the accuracy of the statements, that is not imputing a motive to the hon. gentleman who has first made the statements.

Mr. DOUGLAS (Weyburn): That is not what I was referring to at all. I think, sir, you must have heard the Minister of Agriculture say that this was the usual kind of misrepresentation I made. I am not going to try to force a withdrawal by the Minister of Agriculture because a statement like that from him is the kind of thing we have had in Saskatchewan for a good many years, and it is not a source that would trouble me greatly. There are members from Saskatchewan on the government side. They know what the facts are. I ask them if they do not agree with the portrayal of conditions which has been given from time to time.

As I said a moment ago, according to these figures the number of people taken off relief last August was 230,000. These were mainly people who were supposed to receive an acreage bonus under the prairie farm assistance scheme. The minister said that this bonus was not payable until December. During September, October and November these people were without relief. Most of them went through December without relief. In my own district the cheques came in on December 22. Many of them went into January and, in some instances, into February. I am not saying anything about the prairie farm assistance scheme. It was a new scheme and many details had to be worked out. But what I want to tell the minister is that during those months of September, October, November, December and, in some instances, January, there was serious want and privation.

Thousands of farmers and their families were only able to live half decently because the store-keepers advanced credit. When they finally received their bonus cheques they owed a great part of them to the local store-keepers. Where a man had a large family and only a small amount of land under cultivation, his bonus cheque would be small and it would not be long before it was spent. There was then an effort to get back on relief. The figures for January, February and March show a gradual increase. A few more here and a few more there were managing to get on the books. In March, 1940, there are still over 200,000 fewer people on relief than there were the year before. There were some 200,000 people who could not get on relief. Many of them, of course, received a bonus and did not need to go on relief. A large number, however, did, but could not get on. They were compelled to give a statement about their bonus, which was only fair, but still they could not get on. I have in mind a man in my own district who had a large family and only a small amount of land under cultivation. He received his bonus, if I remember correctly in the latter part of January, but he owed practically all of it to the store-keeper. Spring came along and he had no seed. He tried to get on relief, but they told him he could not. They told him that if he went north and got work somewhere, his family would be taken care of.

Mr. DONNELLY: Who told him?

Mr. DOUGLAS (Weyburn): The municipal council.

Mr. GARDINER: That contradicts the previous statement made by the hon. member.

Mr. DOUGLAS (Weyburn): Not at all. In what regard?

Mr. GARDINER: My hon. friend is attributing the fact that there was an increase in the number of those on relief to the further fact that some of those people had received assistance under the Prairie Farm Assistance Act. He now goes on to show that when they got this assistance they were denied the right to relief. The fact of the matter is that most of those who got relief got it because their wheat was sold in the fall; that is, those who had wheat. When the money was all gone, they then had an opportunity of getting on the list.

Mr. DOUGLAS (Weyburn): This man had no wheat in the first place.

Mr. GARDINER: You are just telling us that he did not get on the list.

Mr. DOUGLAS (Weyburn): He did not get on the list. That would account for the increase from 55,000 to 141,000, but it would not account—

Mr. GARDINER: If he did not get on, there would be no increase.

Mr. DOUGLAS (Weyburn): It does not account for the 342,000 on relief before. This man went up north, leaving a farm on which he had lived for many years. His family was on relief at first, but the last word I received is that the family is now refused relief. The father is hardly making enough to buy himself the necessary overalls and clothes and send a few dollars home. In the districts where no bonus was payable the people stayed on relief during the winter. In the districts where the bonus was payable, the people went off relief at the end of August, but when the bonus came in they had already spent the amount. They then tried to get back on relief. Some were fortunate, but a good many were not. In all the years I have spent in Saskatchewan I have never seen more suffering or more actual privation and want than I saw during the last few months of 1939 and during the spring months of this year, in March and April particularly.

Mr. GARDINER: Those with prairie farm assistance got their payments in March.

Mr. DOUGLAS (Weyburn): Some of them. As I told the minister a few moments ago, a good many of them owed the money before they received their payments. Every store-keeper in southern Saskatchewan will testify to that. Many of them owed more than the amount of their payment. That was the situation which confronted these people.

I rose simply to point out to the minister that it is not enough to keep on paying out a few dollars a month to these people. You cannot keep people alive in any sense of decency with those small amounts. With the exception of the Prairie Farm Rehabilitation Act, all measures which offered some opportunity to these people to earn some money are being taken away by the deletion of another section which provided for government projects to provide employment for the unemployed.

Mr. McLARTY: The section to which the hon. member refers as being deleted, might I say again, was never used.

Mr. DOUGLAS (Weyburn): That makes things much worse. There is $12,500,000 less for public works in the estimates this year, and yet the minister states that this section of the act which was to provide for government work to employ people on relief has never been used. Consequently it is being taken out.

Mr. McLARTY: The section covering arrangements between the dominion and the province to enter into public works is not altered at all. But the section providing for the dominion on its own account to enter into public works has never been used since it has been in the act. No works have been undertaken under it.

Mr. DOUGLAS (Weyburn): Surely the minister will agree that it ought to be used.

Mr. McLARTY: In a time of war, when we are spending hundreds of millions of dollars, and when it has never been used in peace time?

Mr. DOUGLAS (Weyburn): So long as there is one man idle in any part of Canada who is not required to work in connection with our war effort, and who needs money in order to maintain his wife and family, it is the duty of the government to provide some form of employment to give him work and wages, which the Liberal party talked of so glibly in 1935. The farm placement scheme—gone. Prairie Farm Rehabilitation Act reduced three-quarters of a million dollars. It simply means that what we are doing is this: People whose services we cannot use in the fighting forces or to help in our war effort in any other way are now to be condemned to a form of dole and be given relief. All I am asking the minister to do—and we have asked it year after year, and it is what many people believed the Liberal party was really going

to do—is to provide government projects, particularly in the summer months, in order to give these people a chance to work with their hands and their teams and to earn wages. The relief they get is not enough to allow them to replace their bedding and dishes and to keep their homes and buildings in anything like a decent state of repair. The amount they are allowed for clothing is not sufficient, and the result is that the father and mother go without, so that the children may get what they need. If they do get any opportunity to earn a few extra dollars, it helps them to buy these necessities. If they do not get it, what are they to do? What can they do?

I plead with the government because I am certain this is just one more retrograde step that we are sliding into, accepting as permanently submerged from three-quarters of a million to one million people—a sort of permanently submerged tenth of our population, ill clothed, ill housed and ill fed. Surely it is not outside the power of this government, even if we are at war, to find government projects on which we can put to work these men who cannot be used in any other way. Maybe some of these men with experience as mechanics may be moved to work in munitions factories and other types of war work, but for those who cannot be so used, surely there are many projects which could be undertaken in this country. There is no shortage of food in Canada, or of building materials, or of labour. Think of the natural resources lying untouched in the great west. Think of the number of these people who could be employed, even if it is only for three months in the year. That would enable them to get their hands on some cash and help them to buy clothing, dishes, furniture and some of the other commodities they need, so that when winter time comes round again and they have to go back on this miserable relief dole, they will at least have been able to replenish their homes and provide their families with some degree of warmth and comfort.

I am not saying this in any spirit of criticism because I know what this problem must be like and I have a feeling that both he and the Minister of Agriculture are sympathetic with what I am now saying, for otherwise I fear there would have been a bigger cut in some departments. I plead with the minister not to allow the fact that we are at war to make us careless about the problem of these people in the backward parts of our community whose condition perhaps is not noticed by the great throng which passes by. Let us not forget them but make some provision this session to give them a chance to earn some money and get at least a reasonable standard of living. Nobody in this country is free while one man is enslaved, and nobody in this country can enjoy a decent standard of living contentedly if some group of our people is living in these deplorable conditions.

Canada is facing a time of crisis, as the Prime Minister (Mr. Mackenzie King) has repeatedly said during these last few days, but the thing that collapses first in a country is not the forts or the navies or the armies; the thing that collapses first is the morale of its people, and what caused some nations in Europe to collapse was that their people had lost everything worth fighting for. Unless we give these people for whom I am speaking a new sense of their manhood and womanhood, a new sense of worth in the community, a realization that the people and government of Canada respect them and think of them still in terms of human personality, the morale of these people must gradually be sapped and they will become excellent ground for subversive doctrines and for people to come along and lead them down unfortunate paths.

Mr. McLARTY: Mr. Chairman, as the Prime Minister wishes to make an announcement, I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

THE GOVERNOR GENERAL

ARRANGEMENTS FOR CEREMONY OF INSTALLATION OF THE EARL OF ATHLONE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, hon. members are aware that the ceremony of installation of the Right Honourable the Earl of Athlone as Governor General of Canada will take place in the senate chamber at twelve noon to-morrow. If the bill which passed the house this evening is passed in another place before the ceremony of installation to-morrow, the Earl of Athlone, who by that time will be His Excellency the Governor General, will be asked to give his assent to the bill and such other bills as may be awaiting assent. For that reason I would move that when the house adjourns this evening, it stand adjourned until eleven forty-five o'clock to-morrow morning. By hon. members meeting here at 11.45 a.m., they will receive the formal notice which comes from the secretary of His Excellency the Administrator, informing hon. members that their presence is desired for the purposes of both installation and royal assent to bills. I regret that members of the government will not be able to be in their seats in the house when the message comes because they will be at the station to meet Canada's new

governor general upon his arrival in the morning. However, there will be seats reserved in the senate for all hon. members, and if the house meets at 11.45 a.m., the formal notification will be made, and hon. members may then proceed to the senate, and will find their seats there and have the same seats for the purposes of the assent to the bill. I move:

That when the house adjourns, it stand adjourned until 11.45 a.m. to-morrow.

Mr. STIRLING: May I ask whether this arrangement is contingent on the bill passing in another place?

Mr. MACKENZIE KING: Yes, the assent is, of course. On the other hand I believe it would suit the convenience of hon. members to meet here in any event at 11.45 a.m. and proceed to the senate, where seats will be provided.

Mr. HARRIS (Danforth): Seats will be provided, but not at the bar of the senate?

Mr. MACKENZIE KING: Well, the bar of the senate is being visibly moved a little further forward so as still to preserve the arrangement with respect to the bar of the senate. There will be a bar, all right.

Motion agreed to.

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

Friday, June 21, 1940

The house met at 11.45 a.m.

THE GOVERNOR GENERAL

INSTALLATION OF THE EARL OF ATHLONE—THE ROYAL ASSENT

Mr. SPEAKER: I beg to inform the house that I have received the following communication:

Government House,
Ottawa,
21st June, 1940

Sir,

I am desired by the Administrator to inform you that the Right Honourable the Earl of Athlone will proceed to the Senate chamber to-day, at 11:50 a.m., for the ceremony of his installation as Governor General of Canada, following which His Excellency the Governor General will remain to give the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
F. L. C. Pereira,
Acting Secretary to the
Administrator.

[Mr. Mackenzie King.]

The house will now proceed to the senate for the royal assent to certain bills. After the assent has been given the Speaker of the House of Commons will withdraw. Members of the House of Commons who wish to do so may remain in their places, but I would point out that we shall require a quorum of at least twenty when we resume here, after the assent has been given.

Accordingly, the house went up to the senate.

And having returned,

Mr. SPEAKER informed the house that His Excellency the Governor General had been pleased to give in His Majesty's name royal assent to the following bills:

An act to confer certain powers upon the governor in council for the mobilization of national resources in the present war.

An act respecting the appointment of auditors for National Railways.

An act to amend the Canada Grain Act.

An act to amend the Dairy Industry Act.

An act to ratify and confirm a certain agreement respecting the joint use by Canadian National Railways of certain tracks and premises of the Vancouver, Victoria and Eastern Railway and Navigation Company, at Vancouver, in the province of British Columbia.

An act to amend the Seeds Act, 1937.

An act to authorize the raising, by way of loan, of certain sums of money for the public service.

An act to amend the Department of National Defence Act.

An act respecting the Royal Canadian Air Force.

An act to amend the Canada Evidence Act.

An act to amend the Trans-Canada Air Lines Act, 1937.

An act to amend the Department of National Revenue Act.

An act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

An act to amend the Militia Pension Act.

An act to amend the Wheat Cooperative Marketing Act, 1939.

At one o'clock the house took recess.

The house resumed at three o'clock.

SUBVERSIVE ACTIVITIES

DECLARATION RESPECTING ILLEGAL ORGANIZATIONS—CONTROL OF PROPERTIES

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I desire to lay on the table of the house an order in council declaring illegal an organization known as Technocracy Incorporated; also an order in council providing for the control and management of all properties belonging to associations declared illegal.

If the house wishes to know in what way we will deal with them I would say this, that all property rights and interests in Canada belonging to any illegal organization shall be vested in and be subject to the control and management of the custodian, as defined in the regulations respecting trading with the enemy, 1939.

Subject as hereinafter provided, and for the purpose of the control and management of such property, rights and interests by the custodian, the regulations respecting trading with the enemy, 1939, shall apply *mutatis mutandis* to the same extent as if such property, rights and interests belonged to an enemy within the meaning of the said regulations.

The property, rights and interests so vested in and subject to the control and management of the custodian, or the proceeds thereof, shall on the termination of the present war be dealt with in such manner as the governor in council may direct.

Mr. STIRLING: Will the order in council, banning Technocracy Incorporated, in the ordinary course of events be printed in the *Canada Gazette*?

Mr. LAPOINTE (Quebec East): Yes.

INTERNMENT OF CERTAIN MEMBERS OF THE NATIONAL UNITY PARTY

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, while I am on my feet I should like to give some further information. Eleven members of the so-called National Unity Party in the last few days have appeared before a court in Montreal for preliminary investigation. Having heard the evidence and having seen the exhibits produced, the presiding judge declared he had reason to believe that a plot has been organized against the state, and he has referred the matter to the attorney general at Quebec. The attorney general at Quebec has sent me a report in the matter, accompanied by certain exhibits which show clearly that those people had communications and intelligence with enemies—Germany, Italy and elsewhere. Accordingly I have issued an order directing the internment of those eleven persons for the duration of the war. Among them are Henri Arcand, Maurice Scott, of Montreal; Joseph C. Farr, and John Lorimer of Toronto.

Mr. HANSON (York-Sunbury): Are the criminal proceedings to be continued also?

Mr. LAPOINTE (Quebec East): They will stay in abeyance.

Mr. HANSON (York-Sunbury): But they are not being abandoned?

Mr. LAPOINTE (Quebec East): Not at all; far from it.

SEQUESTRATION OF PROPERTIES OF DUFFERIN SHIPBUILDING COMPANY AND DUFFERIN PAVING COMPANY

Hon. R. B. HANSON (Leader of the Opposition): While we are on this subject, may I presume to ask the Minister of Justice (Mr. Lapointe) if the property of the Dufferin Shipbuilding company and the Dufferin Paving company has been sequestrated? I saw a legal notice in one of the Toronto papers to the effect that the firm of Price, Waterhouse & Company has been appointed to some position in respect of this matter. Probably the minister would be in a position to give the house some information.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Alien enemy property is under the Secretary of State, who is custodian, the under-secretary of state being deputy custodian. I think something has been done, but possibly my colleague would make a statement in the matter.

Mr. HANSON (York-Sunbury): Perhaps the Secretary of State (Mr. Casgrain) would make a statement. I must apologize for not having asked him in the first instance.

Hon. PIERRE F. CASGRAIN (Secretary of State): Mr. Speaker, all I can say to the leader of the opposition (Mr. Hanson) is that Price, Waterhouse & Company have been appointed to look after this matter. As yet I have not received any report, but my hon. friend is correct when he says that we have taken charge of the property of the party in question.

Mr. HANSON (York-Sunbury): Part or all?

Mr. CASGRAIN: All, I understand.

PRIVILEGE

THE MINISTER OF JUSTICE—ATTITUDE OF NEWSPAPERS TOWARDS CONSCRIPTION OF WEALTH

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I never raise questions of privilege, or allude to what appears in the newspapers; but my attention has been called to an editorial in the Ottawa *Journal* interpreting certain words I used in an address a few days ago as applying to all the newspapers in Canada. That was far from being my intention. I had in mind only two or three newspapers, and I am pleased to say that the Ottawa *Journal* was not one of them.

PRIVATE BILLS

THE CEDAR RAPIDS MANUFACTURING AND POWER COMPANY

Mr. D. C. ABBOTT (St. Antoine-Westmount) moved the first reading of Bill No. 44, respecting the Cedar Rapids Manufacturing and Power Company.

Some hon. MEMBERS: Explain.

Mr. ABBOTT: The purpose of this bill is to grant certain powers to this company as now provided for in section 14 of the Companies Act. Three powers are being asked for. The first is the power to sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit. The next is the power to distribute among the shareholders any property or assets of the company of which it may have power to dispose, and the third is the power to amalgamate or consolidate with any other company. The first of these powers is identical with that granted by paragraph (m) of section 14 of the dominion Companies Act. The second is substantially identical with that granted by paragraph (u) of section 14, and the third, while somewhat abbreviated, is similar to that granted by paragraph (b) of the same section.

Motion agreed to and bill read the first time.

FIRST READINGS—SENATE BILLS

Bill No. 45, for the relief of Elma Jane Harris Aspell.—Mr. Hazen.

Bill No. 46, for the relief of Edith Leanora Holland Bonnet.—Mr. Bercovitch.

Bill No. 47, for the relief of Dorothy Lavinia Worsley Baker.—Mr. Casselman (Grenville-Dundas).

Bill No. 48, for the relief of Eugene Belanger.—Mr. McIlraith.

Bill No. 49, for the relief of Rebecca Cohen.—Mr. McIlraith.

ROYAL CANADIAN AIR FORCE

QUESTION OF ACTION UPON APPLICATIONS FOR ENLISTMENT WHICH HAVE BEEN ACCEPTED

On the orders of the day:

Mr. W. K. ESLING (Kootenay West): Is the Minister of National Defence for Air (Mr. Power) ready to make a statement which would relieve the anxiety of several thousand young men whose applications have been accepted for enlistment in the air force? These men have waited some time for definite word and are beginning to feel somewhat discouraged. Many of them are ignoring the call for enlistment in other branches of the service.

[Mr. Lapointe (Quebec East).]

Hon. C. G. POWER (Minister of National Defence for Air): I shall be very glad to make some such statement at the earliest opportunity.

Mr. HANSON (York-Sunbury): There are many young men in this position.

UNEMPLOYMENT RELIEF

ALLEVIATION OF UNEMPLOYMENT AND AGRICULTURAL DISTRESS—UNDERTAKINGS IN GENERAL INTEREST AND FINANCIAL ASSISTANCE TO PROVINCES

The house resumed from Thursday, June 20, consideration in committee of Bill No. 42, to assist in the alleviation of unemployment and agricultural distress—Mr. McLarty—Mr. Vien in the chair.

On section 3—Agreements with provinces and others.

Mr. MacNICOL: I was quite pleased with the information the minister gave yesterday in reply to a question I asked with reference to the use of technical schools in Toronto. The minister stated that my understanding of the matter was correct. I think this is a step in the right direction. If Canada is to do her part toward winning the war there is no doubt that in a short time many of the plants in this country not now in operation will be operating at full force and there will be need of young men to man these plants. Many young men now taking courses in the technical schools will have an opportunity to take the three months' summer course in order to finish their training. The board of education in Toronto has decided to keep all the technical schools open and the various instructors have indicated their willingness to forego their holidays in order that instruction may be given. I think that is a most patriotic gesture on their part. As I understand it these students are to be instructed in machine shop and foundry practice and so on.

Mr. McLARTY: And the metal trades.

Mr. MacNICOL: They will be instructed how to make drawings of the different things they are working on; they will be instructed in the welding of metals and in die and tool making. In many of these trades there is an acute shortage of mechanics at the present time because during the last two or three years many mechanics have gone back to the old country. Will there be instruction in laboratory practice?

Mr. McLARTY: I do not think that that will be studied in any great degree; I think it will relate pretty largely to the practical

trades, to training in the metal trades and in tools and diemaking, in which, as the hon. member suggests, there is a very small surplus. I would not want to be too specific about laboratory practice, but there will doubtless be some.

Mr. MacNICOL: I had in mind the various items that enter into the construction of steel, of which we shall require such a large production in this war. There will be some instruction in foundry practice, I presume, because all our technical schools now have foundry furnaces within their walls, and I presume there will be also instruction in electricity and in the making of the various parts used in aeroplanes, diesel engines and so forth. If so, that is fine; the minister should be commended if such a programme is to be carried on. Such training of this kind will be very beneficial; it is a step in the right direction.

Under the bill that was passed in the United States instruction is to be given in the technical schools in four major courses of study in the various trades I have mentioned—steel, the metal trades, and so forth—and parallel instruction in electricity and allied subjects. I find in that bill something which I presume the minister also has in mind—that in training men regard will be had to supply and demand. On the other side they are very particular to see that there will not be four or five qualified tool and diemakers applying for the one job, and they have arranged to have regard to the law of supply and demand. But in this country the demand in my judgment will, owing to munition production, greatly exceed the supply, so I do not think we need to worry very much about an over-supply. If the minister keeps that consideration in mind, his bill will perhaps be more effective than it otherwise would be.

Perhaps under this bill the department would undertake to keep a record of those about to graduate—I am speaking particularly of factory employees—so that they might be placed in factories which will be requiring their services or which will shortly be called upon to produce war equipment. The main purpose of the bill this session is altogether different from the purpose of the previous bill, because under this bill the purpose is to provide a sufficient number of qualified mechanics in all the trades allied with steel and iron production so that we shall have a sufficient number of men available to produce munitions and all the other equipment that is necessary to win the war.

Mr. McLARTY: I thank the hon. member for Davenport (Mr. MacNicol) again for his constructive suggestions. I am advised that the arrangements for the use of the technical schools this summer call for 4,000 to 4,500 for courses in instruction, and we are going to endeavour to speed that up. We are going to use instructors in technical schools who have been kind enough to offer their services. We are also going to have instructors from different plants. We have already made a survey of the amount of labour immediately required not only in each plant but in each portion of each plant, and we are endeavouring in every possible way to speed up the training in order to meet the demand.

Mr. MacINNIS: Since the beginning of the war there has been a continuous increase in the cost of living. That increase is not yet burdensome to persons with wages or salaries over $1,500 or running into several thousand dollars, but it has a very important bearing on the standard of living of those who must live on $200 or $300 a year, as many of the unemployed have to do. Has there been any conference with the provincial authorities with a view to increasing the relief allowance to take care of the increased cost of living?

Mr. McLARTY: The position of the dominion government is this, and I think perhaps I have stated it before. The provincial governments and the municipalities are the ones that fix the quantum of individual relief. Our arrangement with all the provinces except New Brunswick is that we shall contribute dollar for dollar with the province. Answering the specific question which the hon. member has asked, there has been no conference between the dominion and provincial authorities relative to an increase in the quantum of individual relief as a result of any rise in the cost of living, the reason being that that is purely a matter of provincial and municipal determination, we simply paying dollar for dollar with the province.

Mr. MacINNIS: Has the federal Department of Labour been approached by any province for an increased grant in aid owing to the situation which I have just mentioned? It is very well known to the house, I think, that many provinces are in such a position that they cannot increase their grants or aid to the municipalities until they first receive increased aid from the federal authority.

Mr. McLARTY: I think perhaps the hon. gentleman is putting the cart before the horse. Answering offhand, the dominion Department of Labour, so far as I know, has not been approached by any province relative to the

quantum of individual relief, the reason being that the quantum of relief is within the sole determination of the province. If they decide to increase that quantum, then under our arrangement we have to meet the province dollar for dollar, but we cannot ourselves step in and fix the quantum of relief.

Mr. MacINNIS: I think the minister misunderstood my question. I was speaking not of the individual amount of relief given to recipients but of the increased burden on the provinces because of the rise there has been in the cost of living.

Mr. McLARTY: I do not think any province has suggested an increase over the 40-40-20 arrangement that was entered into last year. Speaking purely from recollection, my answer would be that there has been no representation made by any province that the dominion should absorb a larger proportion of the total relief.

Mr. DIEFENBAKER: During the past several weeks various relief recipients in Saskatchewan have received notice that the amount of their relief is to be considerably reduced. But if I understood the minister correctly he stated the other evening that no notice had been given by this government to the provincial governments of any anticipated reduction this year in the amount of relief that would account for the notices being sent out by the provincial administrators of relief.

Mr. McLARTY: I do not want to interrupt my hon. friend, but he will remember that in the notice sent out to the provinces was the suggestion that in view of the vast war expenditure some maximum might have to be applied. I added that the intention was to apply that maximum in those provinces in which war orders are to a great degree resulting in a reduction in the amount of relief required, and suggested that I did not think Saskatchewan was in that class.

Mr. DIEFENBAKER: I appreciate that, Mr. Chairman. Let me say that the questions I am asking are in no way to be considered as criticism. I believe too many hon. members from some parts of Canada are prone, particularly in view of the increased expenditures now requisite for war and war preparations, to complain of the inadequacy of the amount of relief which is being received. Coming as I do from Saskatchewan, I do not want the committee to suppose that we in that province do not appreciate the bountiful manner in which the successive governments of Canada have made expenditures in that province in order to relieve destitution. It is not in a critical spirit that I speak to-day. We in Saskatchewan realize that, while we have passed through conditions the like of which, I believe, no other province of Canada has encountered, had it not been for the kindly attitude of hon. members representing other provinces, the position of Saskatchewan to-day would be worse than it is.

According to the estimates there is an anticipated reduction this year in respect of relief of some $12,180,000. What are the anticipated allotments by provinces based on the estimated expenditure of some $24,000,000 for relief? How much does the minister anticipate will be spent in the three prairie provinces during the current fiscal year?

Mr. McLARTY: I do not wish to withhold from the committee any information that I have, but this bill has not yet been passed; as soon as it is passed, estimates will be received from the various provinces as to their requirements. I suggest that the hon. member's question would be more appropriately asked upon the estimates. I cannot answer his question at the present time, much as I should like to do so.

The CHAIRMAN: Although there is a certain connection between section 3, which is now under consideration, and the question which was asked by the hon. member, I do not believe that, in view of the fact that the estimates are to be studied, it would be quite in order to discuss the amount to which he has referred, namely the estimate of $24,000,000 for relief, because this will come up in due course when the estimates are before the committee.

Mr. McLARTY: I did not mean to take advantage of any rule of order. I merely suggested to the hon. member that I thought, if he could defer his question until the estimates come up, I would be able to give him an answer, which I am unable to do to-day.

The CHAIRMAN: I wanted simply to point out to the members of the committee that it is undesirable to go at too great length into items of the estimates, although some latitude is quite in order, as has been recognized heretofore.

Mr. DIEFENBAKER: Without reference, then, to the question of estimates, the point I am trying to make is this, that under this legislation what the government asks is a blank cheque to proceed with measures for the alleviation of unemployment and agricultural distress.

Mr. McLARTY: Nothing will be spent until the estimates are passed in this house. We are not asking for a blank cheque.

Mr. DIEFENBAKER: Surely the minister is in a position to give an estimate of the amount which he anticipates will be expended in the several provinces.

Mr. McLARTY: No. I regret, Mr. Chairman, I cannot give that to the hon. member to-day. But, as far as a blank cheque is concerned, not a cent will be spent which is not passed by this house, save and except under the Youth Training Act, which is a statutory amount.

Mr. DIEFENBAKER: In order to arrive at the amounts set out in the estimates the minister must have had in mind the several sums which it is anticipated will be expended in the several provinces. Otherwise the amounts and the anticipated reductions would not be provided for in the estimates placed before the house.

Mr. HLYNKA: In my opinion, what the group in this corner of the house is asking for may be boiled down to the three fundamental things of life—food, clothing and shelter. For the past three days we have been engaged in discussing what is probably the most important bill of the present session, that relating to conscription. The agricultural assistance bill, it seems to me, is at least next in importance. Considering the plight of our farmers in western Canada, we sometimes wonder whether this government realizes its obligations towards these people. It seems to me that, for some reason or other, this government has a grudge against the people, at least those of western Canada, and that it is trying to revenge itself upon the farmers of the west. Every hon. member will admit, I am sure, that during the past ten years our western farmers and workers have had no assurance that they would get three meals a day, along with clothing and shelter. When these three fundamentals of life are denied to our humblest and poorest, it is about time for this government to shake off its sleepy mood and proceed to give assistance to our people.

Last September, when the leader of this group, the hon. member for Lethbridge, came home from the session, his little boy asked him a question.

Mr. MacNICOL: Not about finance, I hope?

Mr. HLYNKA: He said, "Daddy, do you think that you will keep up with this line of work?" My leader replied, "Why not?" "Well," said the boy, "it surprises me, Dad, that according to the press you are always wrong and the Prime Minister is always right. How is it? Is the Prime Minister such a brilliant man, much more so than you are?" The leader of the New Democracy group answered his little son in this way: "Well, son, some people may think to-day that the Prime Minister is right, but there will come a time when the people will realize that we are right and have been right all along. And I am sure that that time is not far off."

As a new member, I have been astonished at the readiness with which government supporters, when the views of our group were propounded, have taken offence or tried to distort anything we have suggested. The government at this time should be only too glad to receive suggestions from every corner of the house. I do not see any special evidence of wisdom in any one particular section of the house and therefore I suggest that we should try, at this critical moment, to work together as one family for the purpose of solving our problems. Our people are entitled to food, clothing and shelter. The two old-line parties have denied the Canadian people these three fundamental necessities of life in the last ten years. We must have these things to begin with if we are to exist at all. Napoleon on one occasion said that an army travels on its stomach. I say that a nation exists and fights on its stomach, and you cannot expect the Canadian people to carry on unless they are given adequate care, unless they have the assurance that conditions will make it possible for them at least to exist, to say nothing of getting a real living.

I disagree with some members in our group on one point. Many of them have stated on the floor of this house that the present government gives no privileges to the under dog, no privileges to western farmers and workers in the economic sense. I disagree with that, because our farmers and workers enjoy one privilege, a privilege which is exclusively theirs, or almost exclusively—the privilege of paying taxes. They are never asked to express their opinion as to whether they can bear the burden of taxation that is being piled up on their shoulders. Now, at this critical time, when our farmers in the west need assistance as never before, what do we find? This government invests $750,000, three-quarters of a million, in a building in this city, the Jackson building, to be used for war purposes. Should the government do this, if it is sincere, as I hope it is? Should it invest three-quarters of a million dollars in a building of this sort—a dead investment—at a time when we need this money for our people and to further our war effort? After passing the important bill that was put through yesterday, the government could take possession of that building without paying three-quarters of a million dollars. They

could have had the use of that building for the duration of the war. If we are going to have equality of sacrifice, if we are going to conscript wealth and industry, that would be the right place to begin at this time. It is inexcusable to spend three-quarters of a million dollars for this purpose, and I suggest that we are justified in saying to the government that they are hindering our war effort by sinking money in an investment of this kind, an investment that is as dead as a doornail.

A few days ago I received a copy of a magazine with beautiful pictures in which suggestions are given as to where one can go for a holiday. I am sure some of the members of this house, and especially government supporters, must have forgotten that the people in western Canada especially do not know what a holiday means. It is about time that we thought of giving them a chance at least to exist. Recently I read a book with the strange title "How to Live On Nothing a Day," written presumably by a Liberal. It is an attempt to force the philosophy upon the people of Canada that it is possible to exist and enjoy life, not on a dollar a day, not on a dollar a year, but on nothing a day. Why should anyone suggest such a thing? We should try to help people along.

We have often heard from the government side the statement that this is war-time and that their obligations are exceptionally heavy. Of course, they will offer a whole lot of such excuses. But great men, any number of great men working together, never shun their responsibilities or look for excuses; they rise to the occasion. If they are really big men they can cope with any situation, no matter how serious it may be, and excuses of that sort are nothing but admissions that the government is incapable of dealing with the problems of the day. Until the poorest and the humblest in our country are provided with food, clothing and shelter, neither this nor any other government in Canada can pride itself upon having discharged its obligations to the people.

I do not know how many of us have ever stopped to consider the implications of what is called interest. We in western Canada have had a little more to do with interest than some of the people in the eastern part of the country, and I have been wondering why the federal government in the past has never concerned itself with the fact that our people have paid interest rates ranging from one to fourteen per cent. May I point out something in simple arithmetic. One dollar at three per cent compound interest gives a total in one hundred years of $19.22—using one hundred years as a round figure. One dollar compounded at the rate of eight per cent gives a total of $2,199.76, and one dollar at ten per cent gives a total of $13,780.00—and mind you, our people have had to pay at the rate of $13,780 for the use of one dollar; at least, that is what it would amount to over a period of one hundred years. But we have never heard of any supporter of the government getting up on the floor of this house and telling the government that this is going a little too far, that this burden should be taken off the shoulders of the people. They have allowed our people to pay this rate of interest and to-day they wonder why the morale of the Canadian people and of the people of the British empire is not as strong as it should be. That is the real reason.

Who invented this compound interest? I should like to know who gets the benefit of it. Surely not the poor people in western Canada, not the producer, not the worker. What would this government say if our farmers in western Canada refused to produce wheat on the assurance that they would get five per cent above the cost of production? They would say it was sabotage. Some of the manufacturing concerns have refused to put in tenders in time of war because they were not allowed more than five per cent profit. I say to you, Mr. Chairman, that this is real sabotage. If the farmers of western Canada were assured of five per cent above the cost of production I am sure they would be satisfied; and on behalf of those farmers I ask that this government consider at least the question of the cost of production.

Mr. MAYHEW: Will the hon. gentleman permit a question?

Mr. HLYNKA: When I get through.

Mr. GARDINER: What has this to do with the bill?

Mr. HLYNKA: I am trying to point out to hon. members that the farmers of the west must receive greater assistance than they have received in the past. I have pointed out on other occasions that they did not need charity but only what was coming to them.

Mr. GARDINER: Assistance to the farmers of western Canada, about which the hon. gentleman is talking, has been carried on under another bill.

Mr. HLYNKA: Section 3 of the bill reads:

> 3. The governor in council may enter into agreements:
>
> (a) with any of the provinces respecting the alleviation of unemployment conditions and of agricultural distress therein and to assist those in need;

I believe that settles it.

Mr. GARDINER: Assistance to farmers in connection with feed and fodder, and the relief given in farm homes, has been given through the Department of Agriculture under another arrangement in the most difficult years. This measure has to do with the lending of money and making grants in aid to the provinces to carry on the work of relief.

Mr. HLYNKA: I still maintain that this is agricultural assistance. Our problem is one of distribution; our farmers and workers must have more purchasing power placed in their hands. This government has absolutely failed to show us how it can place that purchasing power in the hands of our people, and it has absolutely failed to show me how it is going to wipe out unemployment. It seems to me that the government is just dragging on from day to day, and you know that at five per cent compound interest any sum of money doubles itself in fifteen years. If this government carries on its present policy for fifteen years it will simply mean that our farmers will have to repay the money lenders twice the amount originally received.

I am not going to speak at any great length—

Some hon. MEMBERS: Hear, hear.

Mr. HLYNKA: I know the hon. members on the government side are anxious that no one else should express his opinion, but no one party has a monopoly on the desire to help our people. We all want to do our bit in that direction. I happen to represent over fifty thousand people, and I do not think any member of this house will suggest that we should not have the privilege of saying what we have to say.

We in western Canada are not so much interested in theories or in the wording of bills. We have been fed with all that sort of thing for the past seventy years or so, and our people find themselves in distress to-day. We are interested in the results that are achieved by putting the bills into operation. In most of the totalitarian states they have resorted to the production of synthetic bread. We do not need to do that. Canada produces ample supplies to feed not only Canada but the whole British empire. All our farmers ask is a fair price for their wheat and a little assistance when they really need it. If they get that, believe me, our farmers will never fail the nation in time of stress.

A tricky system has been used many times to more or less pull the wool over the eyes of the farmers; the current year is compared with the year previous, or the year before that, to show how the revenue or the profit or commerce has increased. The government never compares the better year with the worse, but always the worse with the better. Then they say, "Things are improving. You go ahead and rely on us to see that you get what you deserve." That has been the system used right along. There is only one reason why our farmers will not accept a negative answer from this or any other government until they get what they want and what they are entitled to, and that is the law of self-preservation. This nation is fighting Germany because of the same law; we must obey it or submit, or die. That is the only choice we can expect. This government should be proud and glad that our people in the west are not dead yet but are making themselves heard and are placing certain demands before the government, through their elected representatives. I think that that is a good sign. If we ever came to the time when our people would no longer demand or ask for anything, it would be a sign that we had reached the end and that there was no future before us.

I beseech the government to consider our farmers, our workers, the real pillars of our nation. Give them what they deserve; then, believe me, these farmers will not refuse to produce. Give them five per cent over the cost of production and they will be only too glad to carry on. And let us have no more deals in which we squander and waste three-quarters of a million dollars in buying a dead investment while the farmers really need money and would at least give some return on the investment.

Mr. POULIOT: I should like to congratulate the hon. member for Vegreville (Mr. Hlynka) on his interesting speech, his first address in this house. The hon. member has a fine voice; and if he would sing a duet with the hon. member for Danforth (Mr. Harris) it would be well worth hearing. The hon. gentleman has shown enthusiasm, and, while we do not agree with much of what he has said, he deserves praise and I am glad to give it to him.

There is another hon. gentleman to whom I should like to say a few kindly words. I refer to the hon. member for Lake Centre (Mr. Diefenbaker). His remarks this afternoon were refreshing. In the past the government has received nothing but abuse from the other side of the house in regard to the way the people of the west have been treated. The hon. member for Lake Centre uttered a few words of appreciation and gratitude, however, which indicate that he has a kind heart and can appreciate what is done for his constituents, although perhaps he does not get all that he would like to get for them. I have here the report of the dominion commissioner for unemployment relief for the year ending

March 31, 1940, and it shows that the western farmers have not been as badly treated as has been stated in some quarters. As a matter of fact the prairie provinces and British Columbia have enjoyed great superiority over the eastern provinces in the matter of financial aid.

Take for example the matter of seed grain. In the first instance the farmer will say to the municipal authorities that he is insolvent. In turn the municipal authorities say to the provincial government, "All the people in this municipality are insolvent." The report is sent to the province, and the province writes to Ottawa that all the municipalities in that province are insolvent and must therefore have aid. Just because the eastern provinces do not use the same methods of approach, they do not receive seed grain assistance.

Mr. JOHNSTON (Bow River): And the dominion government does not do anything.

Mr. POULIOT: Assistance is given in three forms. In the first place a guarantee is given to the province.

Mr. JOHNSTON (Bow River): That is not aid.

Mr. POULIOT: In the second place, loans are given, and in the third place, grants are given. Sometimes it happens that for different purposes the western provinces receive at the one time guarantees, loans and grants. Well, that is not so bad. On the other hand we in the province of Quebec do not have so much; Ontario does not have so much; the maritime provinces do not have so much. The western provinces seem to be the pet population in Canada.

Mr. MacINNIS: Did the hon. member say "pep" or "pet"?

Mr. POULIOT: Pet and they have lots of pep, too. I am not making these statements to minimize their efforts, because I admire the constituents of the western provinces. But I suggest they think of others in the east who are in great trouble at times, but who are not so greedy, when it is a matter of dominion assistance.

Mr. FAIR: How about public works grants?

Mr. POULIOT: No public works this year.

Mr. FAIR: How about years gone by?

An hon. MEMBER: What about the tariff?

Mr. POULIOT: If I were to speak about the tariff I would be out of order; if the hon. member will put that question to me when we are discussing the budget resolutions I shall be in a position to answer him. I will tell him right now that if we had no tariff we would have no revenue to give these grants. This is a very important matter, and one which ought not to be forgotten. Without money no grants would be available. The grants go from the east to the west—and of course that shows just how much we like our western friends.

Mr. FAIR: And the money to pay those grants comes from the west to the east; don't forget that.

Mr. POULIOT: I turn to page 16 of the report of the dominion commissioner of unemployment relief, and I find that outstanding loans to the province of Manitoba amount to $25,573,138.54, and those for Saskatchewan amount to $71,291,194.81.

Mr. MARSHALL: What is the hon. member reading?

Mr. POULIOT: I am reading from the report of the dominion commissioner for relief.

Mr. MARSHALL: What is the hon. member quoting?

Mr. POULIOT: Loans outstanding for the year ending March 31, 1940, as outlined at page 16 of the report.

Mr. GILLIS: That is for the last ten or fifteen years.

Mr. MARSHALL: Yes, those are loans for the last ten years.

Mr. POULIOT: For the province of Alberta net loans outstanding amounted to $26,025,500; for British Columbia, $34,503,762.30. The grand total of loans to provinces outstanding as of March 30, 1940, is $157,393,595.65. Then, in addition there is an amount for the Canadian Pacific Railway.

Well, that is not so bad. In these expenditures the western provinces have received something which they do not share with the east. Then, there are the dominion subsidies to provinces, and I find that in respect of Saskatchewan an exception has been made. I refer to the principle of payment according to population. Hon. members may check what I say in the year book. Proportionately the province of Saskatchewan gets much more than do the other provinces, so far as population is concerned.

Mr. HANSON (York-Sunbury): When the hon. members contrasts the drought conditions in Saskatchewan with the smiling conditions in the fair province of Quebec, as I know it, does he not think that the people in Saskatchewan ought to receive more in the way of help? I suggest we ought not to begrudge fair treatment to the drought-ridden farmers of Saskatchewan. The east has not been affected in the same way.

Mr. POULIOT: I would ask my hon. friend, in the first place, not to place a false interpretation upon my words.

Mr. HANSON (York-Sunbury): I did not do that.

Mr. POULIOT: It is much better to let me finish; and the hon. member ought to know that it is always dangerous to interrupt me, because he does not know what I am about to say. In my argument I am not complaining about giving assistance to those who need it; that is not my point of view. My complaint is that one part of the country is receiving aid through the gift of large sums of money by way of loans and grants. Those moneys amount to $157,393,595.65. Last year we heard the Minister of Finance and the Minister of Labour say that the interest was not all paid on that large sum of money.

This is a serious consideration, and as an hon. member representing taxpayers who contribute to those loans and grants, and who are responsible for the guarantees, I say to the western provinces, "You have got something; do not complain that you have received nothing."

Mr. JOHNSTON (Bow River): How much did Quebec get in the same period?

Mr. LACROIX (Beauce): They got twenty cents on their butter.

Mr. POULIOT: Hon. members from the west are always asking more and more. That is their right, but they ought not to forget what they have received. I do not say that they must thank the government; they have no reason to thank the government for assistance given to people on relief. But at least they could show their appreciation. That is why I have just complimented one of the supporters of the opposition.

Mr. MacNICOL: The hon. member for Lake Centre (Mr. Diefenbaker).

Mr. POULIOT: I know what stand he has taken in the matter. People have been put on land in Quebec. Those lands have been found to be rocky, and they are not fertile. It is not the fault of those settlers that they were given wrong information about the district to which they went. But under the present circumstances it is impossible to get anything for them. I shall not repeat what I said a few days ago in that connection; but if farmers in the west receive a certain amount of aid from the dominion government by way of loans to the provinces, I do not see why the settlers in my constituency cannot have the same kind of aid. That is my point of view, and it seems to me it is a fair one. I have written often to the Department of Labour, although the present minister of that department may not have seen the correspondence. If he were to refer to his officials they would tell him that they have received more correspondence on behalf of the settlers from the hon. member for Témiscouata (Mr. Pouliot) than they have received from any other member of the House of Commons. In that correspondence I have made representations respecting the dire circumstances in which those people were living. They have been asking aid from the government.

I do not complain because the western farmers are receiving help. That is the end of my argument. But I do point out that the settlers in my constituency, and especially those in the southern part—the leader of the opposition is familiar with the parish of St. Jean-de-la-Lande—are suffering hardships. I want them to receive the same help as the western farmers have received. It seems to me that that would be fair.

Mr. JOHNSTON (Bow River): We are right with you on that.

Mr. POULIOT: If we only listen to each other there will be complete understanding in a short time.

Mr. MacNICOL: Except in connection with matters of finance.

Mr. POULIOT: I am not talking about finance. Nothing has been given to my people. I want something given. It may take months or years, but I know they will get it.

An hon. MEMBER: The hon. member will be over here then.

Mr. POULIOT: I will be here until I die, and I expect to live to an old age.

A most sensible decision was arrived at by the city of Cincinnati with regard to relief. The city manager of that municipality is Colonel Clarence O. Sherrill, a gentleman who has had considerable experience, both as an engineer and otherwise. The soundness of the policies of this city in dealing with the relief problem has been demonstrated quite clearly. They decided:

1. To see that no one suffers from lack of food, shelter, clothing and fuel.

2. That no unworthy person shall receive relief.

3. That every able-bodied adult shall prove his worthiness by working for the relief furnished his family.

4. That each person on relief shall have a real incentive to get a job in private employ.

Mr. HANSELL: If a man works and receives pay, he is not on relief.

Mr. POULIOT: I am sorry, but I have not the time to argue that. For several days I have been in the chamber listening to what was being said and after I am through with my remarks I intend to see to my correspondence.

Before I take my seat I should like to give the committee certain information in connection with the department of welfare of the city of New York. We cannot compare Canada with the United States because the population of that country is ten or twelve times the population of this, but there is no reason why we cannot do in Canada what has been done in the city of New York. That city has a certain advantage in the regulation of welfare in that the population is compact, while the population of Canada is distributed from ocean to ocean. Regulations in connection with welfare differ in every municipality. However, I should like to let the committee know what has been done in New York city by the welfare department under the able leadership of Commissioner William Hodson. I intend to quote from a report covering the period from January 1, 1938, to June 30, 1939.

On January 15, 1940, Mr. William Hodson, commissioner of welfare of the city of New York, wrote as follows to Mayor LaGuardia:

> The effort has been made to save money on administration, in places where it could be saved, not as an end in itself but as a means of providing the largest possible amount of financial aid and kindly, humane care for the distressed families of our city.

In his report to the mayor for the calendar year 1938 and the first six months of 1939, Commissioner Hodson has given most interesting figures about the efficiency of the work of the department of welfare of the city of New York. The accomplishments of that department may be quoted as an example. In New York city unemployment relief is no longer regarded as being temporary or an emergency. Mr. Hodson writes:

> On January 1, 1938, the task of caring for the needy unemployed as well as the needy unemployable was established in New York city as a regular function of government thereafter to be administered by a permanent city department.

What have they done? On January 1, 1938, 167,226 were under the care of the home relief division. During the following eighteen months, 396,659 applications were disposed of, 195,380 were accepted and 201,279 were rejected. A total of 206,522 families left home relief to accept private employment, WPA, some other form of public assistance, or for other reasons. On June 30, 1939, the total cases under care were 156,084, a decrease of 11,142. The total cost of home relief, exclusive of administration, during that period was $118,062,532.

In connection with the care of dependent children, the city maintained 22,610 children, half of whom were in private institutions and the other half in individual boarding homes, at the cost of $13,304,324. In the matter of the care of the homeless, 5,466,000 night lodgings were provided and 14,641,000 meals were served to homeless men at the municipal lodging houses and in the commercial shelters. Approximately 1,000 men are under care at the rehabilitation center, camp LaGuardia, with a total of 517,000 night lodgings, and 1,612,000 meals over the period. There are 125 women cared for daily at the women's emergency shelter. The total cost of homeless care was $3,020,466.

In connection with relief for non-settled families, there were an average of 3,784 families that did not have settlement in New York city receiving home relief each month. Settlement means residence in the city for one year without having received assistance. The department returned 1,449 of these families to their places of residence, and the children's division returned an additional 296 children. The cost of relief to non-settled families was $2,534,075.

In the matter of special services, during that period the department collected $230,873 for the care of children born out of wedlock and $139,404 for the support of dependent children. In the matter of old age assistance, in addition to home relief, the department cares for dependent old people, 65 years and over. The total cost of old age assistance was $22,532,029 for 49,969 persons.

In regard to veteran relief and assistance to the blind, the total cost of veteran relief was $8,047,974 for 10,763 families, and that of assistance to the blind was $614,622 for 1,482 persons. During any one month, approximately 566,253 men, women and children are receiving some form of public assistance from the department of welfare. There should be added to that total the 65,971 children and their mothers cared for by the board of child welfare, and the 550,912 Works Progress Administration (WPA) workers and their dependents. The grand total would be an average of 1,183,136 men, women and children assisted by public funds at all times during that period.

During the eighteen months there were 314,989 visits made by physicians and 22,510 visits by nurses of the medical and nursing service division to the homes of families receiving the various forms of public assistance, whenever acute illness occurred. The sick

were given 455,759 prescriptions, together with 58,542 pairs of eye-glasses for those with defective sight and 2,488 surgical appliances to overcome physical disabilities of various sorts. In cooperation with the WPA, 272,870 dental treatments were given by the dental projects. The total cost of the medical and nursing services was $2,397,297, while the cost of dental care was $344,471.

A WPA serving project sponsored by the city produced 5,292,295 pieces of cotton clothing and household articles valued at $3,993,334, and the department distributed these articles through 16 depots to families under care. In addition, 127,642 women's and girls' coats and dresses were made by a WPA project and distributed by the department. The value of this clothing was $545,826. The department also distributed 89,118 garments valued at $940,248, which were allocated to the city by the federal government out of an open market purchase made to absorb the clothing surplus. These garments were of excellent quality and included men's and boys' suits and overcoats, women's and misses' suits, coats, dresses and other items, all of regular models. This clothing was provided over and above the cash allowances for clothing which are included in the relief grants from time to time.

Mr. HANSON (Skeena): On a point of order, Mr. Chairman, I should like to know what we are on. Are we discussing the bill or reading statistics?

Mr. POULIOT: I can tell the hon. member. In the first place, if he is not interested, he simply need not listen. But I am telling the committee what has been done across the boundary for people on relief. If we are not going to heed and profit from what has been done elsewhere for the good of mankind, we might as well just let the country drift. It is to the interest of Canada to know just what is being done elsewhere and to take advantage of it.

Mr. BLACKMORE: Go ahead.

Mr. POULIOT: Certainly I will go ahead. The chairman is fair enough, and I take this opportunity, Mr. Chairman (Mr. Fournier, Hull) to welcome your presence in the chair.

Mr. HARRIS (Danforth): Suppose we have a holiday from this for twelve months and then start in again after the war is over.

Mr. POULIOT: I will tell the hon. member for Danforth, whose name I mentioned a moment ago, that this is no matter for a holiday. I will appeal to his heart. There are in this country people who are unemployable, unable to work, and I am pointing out to the committee what has been done for unemployables in New York City. These men cannot work, and they must live. If we are going to take care of aliens and German people I do not see why we should not do something for our own people who would otherwise starve to death. I can go to the constituency of the hon. member for Danforth and speak to his own people, and then his small majority will be reduced to nothing and changed to a Liberal majority. I am sick of that kind of thing.

Mr. HARRIS (Danforth): Will the hon. gentleman permit a question?

Mr. POULIOT: No.

In New York city, Mr. Chairman, and in all the other cities of the United States a marked division is made between the unemployables and the employables. The unemployables, of course, are supposed to be looked after by the state because they can do no work in return, but they are considered as citizens just the same and something must be done for them, and the services I have enumerated are provided for the relief of unemployables. So efficient and so good are they that within a period of one year and a half the number of unemployables in the city of New York decreased from 210,000 to 155,000, thanks to the good food, good care and decent clothing provided. That means that 55,000 unemployables by reason of this good care and good food became employable. That is a great lesson in Christianity and brotherly love to the whole world.

But there is something else. While the city of New York takes good care of its unemloyables, much is also done for its employables. I think hon. members will be surprised at the record of the city of New York in the years 1938 and 1939 in providing work for the unemployed of that city under the WPA. New York is only one city, but this work has been done under the dynamic leadership of Mayor LaGuardia and Colonel Brehon Somervell, a distinguished army engineer who made a survey of navigation conditions on the Rhine and Danube rivers for the League of Nations, and who also was engaged by the Turkish government to help put the country on a sound economic basis. Here are the notable achievements of the WPA in the city of New York in 1938:

Public buildings:
158 newly constructed, 761 reconditioned, work underway on 420.

Fire:
2 new houses erected, 41 renovated, work in progress on 40.

Highways:
172·5 miles of new construction, 308·2 improved.

Bridges:
13 new ones built, 46 altered and improved.

Sidewalks:
82·3 miles newly built, 158·2 miles improved.

Curbs:
242·7 miles newly laid, 69·4 miles relaid and improved.

Athletic fields:
9 built, 6 reconditioned, working on 18.

Playgrounds:
35 built, 13 improved, working on 42.

Swimming-wading pools:
25 built, working on 13.

Tennis courts:
95 built, 44 under construction.

Water mains:
116·9 miles laid, working on 67·3 miles.

Sewers:
50·8 miles newly laid, 53·5 reconditioned; working on 24·6 miles.

Manholes:
3,512 new ones built, 6,987 altered, working on 4,433.

Mosquito control:
399·9 miles drainage ditch dug, 148 miles improved; underway, 88 miles.

Police-fire signals:
84·1 miles of line laid, working on 65·2 miles.

Planting:
319,089 plants or trees set out.

Here is the record of the WPA in the city of New York in 1939:

Public buildings:
210 newly constructed, 518 reconditioned, work under way on 188.

Fire:
2 new houses erected, 44 renovated, work in progress on 3.

Highways:
222·67 miles of new construction, 112·51 improved.

Sidewalks:
165·56 miles newly built, 93·99 miles improved.

Curbs:
296·14 miles newly laid, 114·98 miles relaid and improved.

Athletic fields:
12 built, 4 reconditioned, working on 2.

Playgrounds:
66 built, 19 improved, working on 25.

Water mains:
151·74 miles laid.

Sewers:
66 miles newly laid, 27·66 reconditioned.

Police-fire signals:
48·4 miles of line laid.

Parks, squares and triangles:
14 built—380·90 acres; 43 improved—3,644·11 acres, working on 23—1,097·92 acres.

Docks and piers:
17 improved, 4 in progress.

Bulkheads:
537 linear feet built, 5,490 linear feet improved.

Retaining walls:
27 built, totalling 10,260 feet; 10 improved, totalling 3,662 feet.

Landscaping around buildings and along highways:
147·79 acres new; 351·77 acres improved and

[Mr. Pouliot.]

The LaGuardia airport, one of the world's largest, and the biggest single job undertaken anywhere in the country by the Works Progress Administration.

Among the health services for adults were 84,429 X-rays, 145,589 dental clinic visits and 52,954 social hygiene diagnoses.

Many thousands of children daily benefit by WPA health services.

1939 WPA produced 346,709 toys for Christmas distribution and everyday use in nurseries, orphanages, hospitals, and settlements.

WPA serving shops manufactured 3,440,112 garments, 2,370,305 items for New York's needy families certified by relief agencies in 1939.

Thousands of idle hands were taught new crafts by WPA instructions during the year.

A total of 1,586,773 contacts with children and adults were made during the year by physical recreation leaders.

An average of 3,000 children and adults took part daily in cultural activities under trained leadership.

More than 50,000 adults sought added learning in WPA classes during 1939.

Upward of 400,000 children attended the varied educational activities offered by the 1939 program.

Project kitchens prepared 23,174,163 lunches in 1939 for undernourished school children. Up to 120,000 hot lunches were delivered to schools in one day.

Symphonic and concert music by WPA continued during the year to be appreciated by music lovers.

The art program during the year contributed murals to public buildings . . . at the same time taught art techniques to thousands of eager students.

The size, variety, importance and usefulness of all the WPA projects cannot be fully summarized in the short time that I have at my disposal.

Mayor LaGuardia and the WPA Administrator in New York city, Lt.-Col. Brehon Somervell, had every reason to be proud of their accomplishments when they addressed the following message to the city:
From the Mayor . . ."

In my opinion the maintenance of the morale and self-respect of the worker, the preservation of his skills and work habits, and the benefits of the community in the way of improved public property and extension of personal services, more than offset the alleged deleterious effects of work relief, most of which are indefinite and unrealistic.

I know that the city has benefited by the works program, that it has maintained services that are indispensable in a modern growing city.

I do not know what would have happened had all the thousands of men and women employed under the works program been forced into complete idleness and sustained by a dole, but I have a feeling that the butcher and the baker and the candlestick maker whose business has been kept going could tell you, and that another answer could be got from thousands of homes where normal living has been made possible by the work relief program.

F. LaGuardia.

Mr. KUHL: Where does the money come from?

Mr. POULIOT: The report goes on:

From the Administrator . . .

During the course of the year inquiries by the thousand are received regarding the program of the Works Progress Administration in New York City. This booklet is an attempt to simplify and to answer graphically some of these inquiries.

Back of these pictures moves a varied program of public works and services. Through it the city's assets in buildings, in ultilities, in required facilities for promoting decent living have been preserved and extended. The same is true in respect of properties of the state and federal government.

Beyond these construction projects are hundreds of others through which employment is given to "white collar" workers. Through these, WPA is aiding in the eternal struggle to conserve health, promote the public welfare, and to improve educational and recreational opportunities for all citizens and at the same time give employment to those who through no fault of their own have no other means of support.

Brehon Somervell.

These are the accomplishments of New York city through its department of welfare and also through the Works Progress Administration.

My hon. friend asks where the money comes from. Regarding WPA projects, the federal government pays for all labour, and in addition pays for a fraction of the material, namely six dollars per average man-month of labour. The proportion may be higher than that when the classifications are made respecting salaries. It is a long story.

Mr. JAQUES: Where does the administration get the money?

Mr. POULIOT: They do not get it in the form of social credit money, anyway; otherwise no work would be done there.

I have given these facts to inform hon. members of what has been done in the way of social services to people across the border. We may learn from their example. Let us provide relief of some kind to those who are unemployable, but let us also take advantage of the ability to work when help is given to the man who is employable. Let us utilize what he can do for the benefit of the state.

It comes to this, that it is important for the Department of Labour to make a distinction between the employables and the unemployables. The distinction should have been made a long time ago. That work was done by a member who is in the house now, but afterwards a commission was appointed on which there were men who were unable to understand the importance of the problem—among them Mr. Arthur Purvis, whom I mentioned yesterday, and Mr. Tom Moore.

Mr. MARSHALL: Will the hon. member permit a question?

Mr. POULIOT: Yes, with pleasure.

Mr. MARSHALL: I wonder if the hon. member would refer to the appendix to this report under the Unemployment and Agricultural Assistance Act, 1939, and explain for the information of the committee the figures shown on page 40 of that report.

Mr. POULIOT: Well, I would like to explain that to the hon. member, but it would take me a whole week. I regret that those figures are very numerous. My hon. friend knows that, with twenty-six letters of the alphabet, millions of books have been printed; and here there are many figures.

Mr. MARSHALL: Will the hon. gentleman explain what is meant by the figures under "recapitulation of dominion disbursements under relief legislation as at the close of fiscal year 1939-1940:" Quebec, $61,000,371; Ontario, $99,919,778; Manitoba, $26,315,113; Saskatchewan, $56,109,009; and Alberta, $17,954,838?

Mr. POULIOT: That is not page 40; it is page 41.

Mr. MARSHALL: No; the figures I am quoting will be found on page 40 of that report. If the hon. member will look at the list he can verify it.

The ACTING CHAIRMAN (Mr. Fournier, Hull): The hon. member having put his question, I would like the hon. gentleman who is speaking to proceed, and stay within the limits of standing order 58.

Mr. HANSON (York-Sunbury): Will you read standing order 58?

The ACTING CHAIRMAN (Mr. Fournier, Hull): It reads, in the second paragraph:

Speeches in committee of the whole must be strictly relevant to the item or clause under consideration.

Mr. POULIOT: I am very glad that that has been read, because all this is strictly relevant. It shows the amount which has been paid to the provinces, and if we cannot discuss it, it would be just as well to lock our desks here. I know, Mr. Chairman, that you will not insist upon such an interpretation.

In this connection there are two things to be considered. In the first place, the population, which is not the same in Alberta as in Quebec, as my hon. friend knows. Besides that, no mention is made on this page of the loans and guarantees. In any case, besides the amounts set out here, other guarantees have

been made to the western provinces, and there have also been grants. I have the list upstairs; I have not brought it down to-day.

Therefore, sir, to bring these observations to a concluusion, is it not possible for the department to make a classification of the unemployed, differentiating between unemployables and employables, and to enable the provinces to provide sufficient relief to the unemployables so they may live and be looked after if they are sick, their families not being allowed to starve during that period. On the other hand the employables should be separated from the unemployables so that advantage may be taken of skill and ability to work, with consequent benefit to the state. The example of New York is very good. I fear, sir, that in the branch of the federal department which is charged with relief, as well as in the provincial and municipal relief departments, there are officials who live on the distribution of relief and are opposed to work relief. I do not know about it, but I ask the minister to make an investigation on these lines. Of course, what has been given there has been given. It has been distributed to a certain number of people, but they have been enabled just to exist. I want the settlers in my county to be fairly treated when they are on land which is not productive.

I hope the minister will consider seriously the matter of supplying work to necessitous people. It is a very bad thing, as he knows, for persons to remain idle; idleness is the mother of all vices. It is important for the men who are employable, who are able to do something, to have an opportunity to work, and it is necessary for the welfare of the state that that opportunity should be given them.

Reverting to what I said a minute or two ago, I regret that the work which was done by a single member of parliament, with his secretary, was not done by the employment commission, when upon that commission were men like Arthur Purvis and Tom Moore. I regret it very deeply. The work they did was useless, and I threw that report on the floor of the house because there was not a waste-paper basket near my desk. These are the men who are supposed to give us lessons in matters of welfare and relief. No, sir! There must be order among the unemployed; there must be order among every other class of Canadian citizens; there must be order in the distribution of relief. I hope that the Minister of Labour will stay long enough in the department to carry out the policy which is necessary for the welfare of the country.

[Mr. Pouliot.]

Mr. DONNELLY: I did not intend to say anything on this bill, but since so much has been said in the house in the last few days with reference to the question of relief I feel it my bounden duty to say something in connection with farm assistance and relief. I have had the honour for the last eleven years to live in the constituency of Wood Mountain and to represent in this house the people who live in that riding. That constituency has had the misfortune during those eleven years to have but one crop out of eleven. Ten crops were lost, all but one through drought. One crop was lost because we had too much moisture and the crop was ruined as a result of rust. Last year we had the first crop in eleven years. The result has been that a prosperous and thriving community of farmers who had been well off have found themselves almost destitute and have had to live on relief. If anyone knows what it means for farmers to live on relief, I ought to know as well as anybody in this house, because the farmers in my constituency have a reason for being on relief. They have been living in the centre of the dried-out area of western Canada. I have seen them all around me, on all sides, having to go to municipalities, to the province and to this government for assistance.

Let me say on this occasion, in regard to the relief question, what I have said before in this house. In the administration of relief, the conditions are contrary to what some members have said. The hon. member for North Battleford (Mrs. Nielsen) made the remark that someone had said, "If you do not vote for the government you may be off relief the next day." That has never been true in my constituency; it has never been true under either the Conservative government or the Liberal government. There has been no politics federal or provincial in the administration of relief. If there has been any politics at all, it has been on the part of the municipality. Sometimes one of the councillors has a friend living next to him and has been lenient in giving him relief.

Mr. BROOKS: The hon. member is speaking of Saskatchewan?

Mr. DONNELLY: Yes, I am speaking of the district that I know, in the province of Saskatchewan. Sometimes the municipal officer has a neighbour whom perhaps he does not like very well and he cuts down on his relief.

How is relief administered? As far as we are concerned as a federal government, we have nothing to do with the administration of relief. Relief is first of all a matter for

the consideration of the municipality. The municipality is supposed to look after its indigent, those who are in want. It is their responsibility and duty to look after all such people, and when they are not able to discharge that duty then they come to the province and ask for assistance. If it is a small matter the province assists, as it has done in the past; but when it involves anything of magnitude, as in the past ten years, spreading over a large part of Saskatchewan, affecting seventy or more municipalities, then it becomes too large a problem for the province and the province asks for our assistance. It gets that assistance and this bill is for the purpose of meeting that need.

But we as a dominion have nothing to do with the administration of relief. It is administered entirely by the province and the municipality. If a farmer needs relief he goes to the municipality and applies for it. He signs a request asking for relief, and then either the council as a whole or a committee of the council will consider the application and decide how much relief should be granted or whether there shall be any relief. The province has a relief officer who looks after several municipalities. He will come to the municipal office and go over the relief orders with the council or a committee of the council, and the committee or the council and that relief officer have both to sign the order before the man can get relief. If a man is not getting enough relief, as some people have complained, it is the fault not of this government but of the municipality and the relief officer. The councillor living next door to the man knows quite well how much relief he needs or whether he needs any, and they decide how much will be given. They are the ones to whom complaint should be made. It has been that way all along. There has been no change. It is no use coming here and blaming this government because people are not getting enough relief. It is no use saying it is this government's fault. It is the provincial government, with the relief officer and the municipality above all else, who is to blame, if there is any blame.

Some peculiar men in the haw corner have read letters from their constituencies. One man read a letter about a school-teacher who, he said, had had to put up with various insects, the worst being bedbugs and fleas. What has that to do with relief? What is the hon. member trying to do? Is he trying to advertise the district? Perhaps he is advertising it for tourists. I am sure the people who live in that district must be proud to have it branded in that way by a member. But that has nothing to do with relief, as everyone knows. The same man says something about the school district. He says they are unemployed, there is no chimney in the building, the chimney is falling to pieces and they have no well. What does he want? Do those people want this government to tax people in Nova Scotia or in eastern Canada generally in order to dig wells for them while they sit around and do nothing because they are unemployed? Why do they not dig their own wells and fix their own chimneys? Why bring up that sort of thing in this house? Why read such letters? I do not think the reading of letters in this house should be allowed unless the names of the writers are disclosed so that the complaints may be investigated. We have investigated a number of these letters from Saskatchewan and we have always found that there was a nigger in the woodpile, that the municipality knew better what should or should not be given.

Mr. PERLEY: You are running true to form.

Mr. DONNELLY: I think I am giving pretty nearly what is right.

Then we heard a good deal about schools, but that has nothing to do with this bill at all. Even a school-teacher should know that the local school districts have charge of the schools and the hiring and firing of the school-teachers. The province gives a grant, and then some of our school-teachers say they have not received their grant for three or four months. Well, even a school-teacher should know that the grant is not due until the end of June. It is based upon the number of pupils attending the school up to that time, and it cannot be paid until then. Part of the grant is paid on January 1, on the basis of the attendance since the beginning of the school year, and it is impossible to know how much to pay until that time has elapsed. These grants are paid when they are due. And the school-teachers should know that if they wish they can compel the province to pay the grant to the teachers for their salaries, because that money cannot be used for any purpose other than the salaries of the teachers.

An hon. MEMBER: Try and get it.

Mr. DONNELLY: You can get it if you go after it in the right way, and a school-teacher should know how to do that. Even preachers know that.

Then I come to the remarks of the hon. member for Yorkton (Mr. Castleden). I am afraid some of the medical men and the hospitals in his district would not be very proud to hear what he said in this house. He told us about a man in his district who

suffered from an acute attack of appendicitis, but who was refused admittance to a hospital because he had no money.

Mr. CASTLEDEN: Will the hon. gentleman permit a question?

Mr. DONNELLY: You said it; it is in *Hansard*. You said it was reported. Where was it reported from? What was the district? Who was the man? From whom did you hear it, and where?

Mr. CASTLEDEN: Read what I said.

Mr. DONNELLY: You insulted the whole medical profession and all the hospitals throughout our country when you said they would not look after a man because he did not have the money with which to pay. I have never heard of a hospital in the whole Dominion of Canada that would refuse to take in a man suffering from an acute attack of appendicitis, and I defy anyone to tell me of any such instance. I never knew of a medical man who would refuse to attend a person suffering from an acute attack of appendicitis. We have heard several attacks made on the medical profession, but if I say so myself there is no profession in the world that does as much charitable work as the medical profession. I practised medicine for a number of years, and in all that time I never refused to attend a case when I possibly could attend, whether or not they had the money. That, I believe, is true of practically all medical men throughout the country.

To hon. members in the far corner who talk about the medical attention given to people on relief, I want to say that while we have had no crops in our district for ten years, our people are better attended medically than ever before. I can give a practical illustration of that. Prior to 1929 practically ninety-five per cent of our women were confined at home and were lucky to have a doctor at all; or, if they had a doctor, not one per cent of them would have a trained nurse assisting. What do we find to-day? Now ninety-five per cent of our women are confined in hospitals, with all the attention that is given in those institutions. Let hon. members investigate and they will find out for themselves; this is no hearsay. I could tell the committee where these people are, who the medical men are, and all about the matter. From 1929 to the present time our people have been better attended and better looked after, from the medical point of view, than ever before.

Mr. NICHOLSON: In the Wood Mountain constituency?

[Mr. Donnelly.]

Mr. DONNELLY: Yes, right in my home town, in Kincaid, Saskatchewan. There they have a municipal doctor, and they are looked after in that way at the present time. Then I hear people say, "Oh, it is terrible the way the children are suffering without proper food." A couple of years ago the dominion government sent fish, cheese and other articles to our people, and they had to send instructions to a great many of them on how to prepare this food. They did not know how to cook it or how to look after it. They saw more varieties of food than they had ever seen before.

Mr. MARSHALL: Will the hon. member permit a question?

Mr. DONNELLY: You made your speech. There has been so much talking from over there that we are all deaf. Sit down.

Mr. JOHNSTON (Bow River): The accounts were all guaranteed by the municipality and the province, so the doctor did not lose very much.

Mr. DONNELLY: I want to tell my hon. friends that as a rule we find more of these underfed and undernourished children in the families that are better off, the richer families. A great many children are underfed and undernourished, not for lack of food but because of the kind of food they get and the way in which they are fed. That is well understood in the medical profession, and it is just as true to-day as it ever was. Frequently it is lack of the right kind of food, not lack of food itself, that causes many of these conditions.

Not long ago I listened to the hon. member for Témiscouata (Mr. Pouliot) when he spoke of the amount of relief that had been handed out to Saskatchewan. I just want to say to him that Saskatchewan is not the only province which receives assistance in looking after unemployment. It is true that we have had farm assistance out there. We have had to have it because of the great disaster that has overrun our province for ten years. I doubt if any other district or country in the world could have looked after its people as well as our people have been looked after during that time. We were ten years without a crop. It is a wonder they are not worse off than they are to-day.

Mr. HANSON (York-Sunbury): That includes from 1930 to 1935, I hope?

Mr. DONNELLY: Yes, I said from 1929 to 1939. As far as that is concerned, the people were well looked after under both Conservative and Liberal governments. None

of our people died of starvation; none of them froze to death and many of them lived comfortably. But I never saw a man who admitted that he had enough relief; I never saw a man who admitted that he had enough money, and it is just the same thing. Probably there are some who did not get enough, and I must admit also that some got too much, under both governments. We do not hear about those people at all. I have seen them; I know many people who got too much, just as I have seen some who got too little. Very often it is the best citizen who gets the least money, because he does not want to ask for relief all the time. When relief is being given out, he is not the first man there to ask for it. Those are our best citizens, and unfortunately they are the ones who suffer most.

The hon. member for Témiscouata referred to the amount of money that had been given to Saskatchewan. I should like to refer to what was mentioned a little while ago by an hon. member from the far corner of the house. I turn particularly to page 40 of the report of the commissioner of unemployment relief, where I find a recapitulation of the grants given to the different provinces. It will be seen there that the other provinces are getting a good share of the money. It is indicated that Ontario is getting $90,000,000.

Mr. GARDINER: $99,000,000.

Mr. DONNELLY: Saskatchewan is getting $56,000,000 and Quebec $61,000,000.

Mr. FAIR: What did Alberta get?

Mr. DONNELLY: It got less, because I want hon. members to understand that so far as Alberta and Manitoba are concerned, although they did have dry years, as a matter of fact Alberta was blessed by pretty fair crops each year.

Mr. HANSON (York-Sunbury): And they had Aberhart.

Mr. DONNELLY: And they were not exerting themselves a great deal to pay a great many of their debts, because Mr. Aberhart said, "I am not going to pay a great many of our debts."

Mr. BLACKMORE: Mr. Aberhart never said any such thing.

Mr. DONNELLY: And I guess with that kind of legislation, and with fair crops they must be thriving pretty well. So far as Manitoba was concerned—

Mr. BLACKMORE: On a point of order, the statement of the hon. member concerning Mr. Aberhart is absolutely and unqualifiedly false.

Mr. DONNELLY: Oh, sure, sure! I expected that.

Mr. BLACKMORE: I am asking the hon. member to withdraw, because the statement is false.

Mr. HANSELL: Withdraw.

Mr. BLACKMORE: No member of this house can make such a statement.

Mr. DONNELLY: I will tell the committee this: I will withdraw, as soon as Mr. Aberhart starts to pay his twenty-five dollars a month.

Mr. BLACKMORE: The statement that Mr. Aberhart has said he will not pay his debts is false.

Mr. HANSELL: Withdraw.

Mr. DONNELLY: Then, in all the years, only a small portion of Manitoba was affected by the drought. Saskatchewan, however, has been unfortunate. In the last ten years there has been no crop at all in the great bulk of Saskatchewan. Its chief product is wheat, and the farmer in Saskatchewan must depend on the production of wheat. We do hope that we will not need that relief in the future, that in years to come we will have crops again, and that we will begin to prosper.

Mr. DIEFENBAKER: Section 3 of the bill with which we are now dealing reads:

> The governor in council may enter into agreements: (a) with any of the provinces respecting the alleviation of unemployment conditions and of agricultural distress therein and to assist those in need—

And so on. About an hour and a half ago I endeavoured to secure from the minister an answer respecting the amount to be allocated to Saskatchewan in the coming year. I am asking him again whether he will let the committee know what the anticipated amount will be, so that the argument now being used in that province may be met, namely that the cut in relief is on account of the fact that the dominion government is cutting the allowance given to the province this year.

When I spoke some time ago I mentioned that the people in Saskatchewan were appreciative of what was being done and what had been done since 1930 in the matter of assistance for the alleviation of conditions there prevailing. The hon. member for Wood Mountain (Mr. Donnelly) has admitted today something which I think he would not have admitted between 1930 and 1935, namely, that during those years, too—and often in the face of strong opposition from hon. members of the opposition—assistance was given to Saskatchewan in particular, by reason of the conditions there prevailing.

As the hon. member for Wood Mountain has pointed out, the difficulty in Saskatchewan, so far as relief is concerned, has been accentuated by drought. That condition made it necessary to make expenditures of large amounts of money in that province, moneys over and above amounts which had to be spent to meet conditions prevailing as a result of unemployment elsewhere throughout the dominion.

The hon. member has said there is no control by the dominion government in respect of expenditures made by the provinces. I would suggest, therefore, to the minister that some system should be adopted whereby the multiplicity of inspectors and officials administering relief would be substantially reduced. The hon. member said that the responsibility for the cutting of relief has been on the municipality and that the responsiblity for relief measures is that of the municipal council. He very well knows that on each occasion relief is granted, it can be granted by the council only with the consent of the relief inspector, who is the representative of the provincial government.

When the hon. member says there has been no political influence in connection with the administration of relief, all I can say is that in the provincial election of 1938 there was political influence. Men and women in Saskatchewan were placed in a position where, while direct threats were not made, they were made to realize that it would be diplomatic to be known outspokenly as a supporter of the government. To be fair I must add that during the last federal election I saw no political influence.

Mr. EVANS: Where did that happen?

Mr. DIEFENBAKER: I have the sworn evidence, and I shall deal with it, in answer to the question raised by the hon. member. I have before me sworn evidence in a trial in the rural municipality of Fish Creek, situated within the provincial constituency of Rosthern. If necessary, I can give reference to the page of the evidence. Some days prior to the provincial election of 1938 it was bruited about that relief was going to be cut after the election, and relief vouchers were issued before the election and five days in advance of the usual time. Do hon. members know where they were distributed? They were distributed at the polling station on election day, as individual voters went into the polling booth to cast their votes.

Mr. McLARTY: Would the hon. member permit me a question? I do not wish to interrupt him, but I think it must be recognized that the matter of administration is purely provincial. The hon. member may say, "Well, why not cover this point in your agreement with the provinces?" In reply I would point out to him that in respect of all dominion-provincial agreements concerning material aid, it is clearly provided that no person's eligibility for assistance shall be affected, either through discrimination against that person or by favour, by reason of his or her race, religious views or political affiliations.

Mr. HANSON (York-Sunbury): No doubt that principle is in the agreements, but let me tell the Minister of Labour that it is not carried out in actual practice. There should be a close inspection on the part of his department, but that has never been done and abuses do exist. Make no mistake about that.

Mr. GARDINER: Is not the evidence just recited by the hon. member for Lake Centre the evidence taken in a case where persons were prosecuted for using relief money in a manner in which it was not intended to be used? I understand that is a case where the province was prosecuting persons for having misused relief funds.

Mr. DIEFENBAKER: I think the Minister of Agriculture knows the circumstances of the case. When this government hands over money to the provinces to be expended by them, there should be some system of inspection and control so that we may be sure that this sort of thing will not happen. Referring to what the Minister of Agriculture has said, may I say that for seven long months the director of relief of this particular municipality continued to issue false relief certificates which were made out to non-existent individuals. There was no check-up whereby that could be found out. It was discovered only when the relief certificates commenced to come back from the wholesalers four, five and six months afterwards. The agreements referred to by the Minister of Labour should be enforced and followed up with a system of control by the dominion government.

Mr. GARDINER: What proportion of the money expended by Duck Lake municipality came from the federal government?

Mr. DIEFENBAKER: According to the evidence of the inspector of relief, 40 per cent was paid by the federal government, 40 per cent by the provincial government and 20 per cent by the municipality. Here is an excerpt from the evidence of the inspector of relief:

Q. So that the man primarily responsible for the checking of direct relief is yourself?

A. I would not even admit that.

Q. So that your entire check consists of accepting the figures given to you by the reeve and members of the council of the municipality?
A. Yes, certainly.

There was no check-up, either provincial or federal. The conditions there were very bad, but they were not found out until some time later. In certain parts of the municipality, relief vouchers were distributed by being left, duly filled out, on the counters of certain merchants. The recipients picked up the particular vouchers they wanted. That continued for several months. There should be some control on the part of the federal administration to ensure that politics shall not enter into the administration of this act in any way. There would be little need to reduce relief payments to individuals if the administration costs were cut by the appointment of non-political relief administration.

An hon. MEMBER: Like 1930 to 1935.

Mr. DIEFENBAKER: The hon. gentleman refers to 1930 to 1935. During that period we had that system in Saskatchewan and there was no suggestion of political interference.

Mr. GARDINER: Does my hon. friend not know that during that period there were relief dealings with about 200 municipalities, in one year, and about 300 in the other.

Mr. DIEFENBAKER: No one expects that we can check up on the petty grafter who takes advantage of the farm placement scheme, but a municipality should not be permitted to expend money in this manner over a period of five, six and seven months. When 40 per cent of the money comes from the federal government, there should be some check-up. In this case $92,000 was expended in twelve months upon relief in an area where, according to the government inspectors, only ten per cent of the people receiving relief should be receiving it. Will the minister tell the committee how much will be paid to the western provinces during the present year? Recently cuts have been made in the relief grants, and in consequence many people in the province have been placed in a most unfortunate position. The people in the drought areas have been forced to live under conditions which are absolutely unfair, unjustified and unconscionable. It is said that the dominion government made this cut. As a result these people have had to accept less than they had been receiving in the past, and in many instances their mode of living has dropped to below the sustenance level. The minister is courteous at all times and I feel sure he will give me an answer. I want to know the amount that it is anticipated will be paid to the provinces.

Mr. GRAHAM: Is the case to which the hon. member is referring, the Wakaw case?

Mr. DIEFENBAKER: Yes.

Mr. GARDINER: The hon. gentleman was the defence counsel.

Mr. DIEFENBAKER: The minister wants to know about the administration of relief in Saskatchewan. Let me point out to him what happened in connection with employment upon public projects in Regina. The provincial member for Regina took the stand that unless a man had been able to get his application for work initialed by the president of the Liberal association or, better still, by the Liberal member, he could not obtain employment on a public project.

Mr. HANSON (York-Sunbury): That is true all over.

Mr. STIRLING: Not only in Saskatchewan.

Mr. DIEFENBAKER: The slogan, "To the victor belongs the spoils" was altered to, "Without initials you shall not have work."

Mr. GRAHAM: May I ask the hon. member another question?

Mr. DIEFENBAKER: One minute, please. Surely there should be some control, so that this sort of thing could not happen. The very suggestion even of any political influence should not be permitted to exist.

Mr. GRAHAM: Is it not a fact that the premier of Saskatchewan repudiated categorically and completely any such suggestion as was alleged to have been made by the member for Regina?

Mr. DIEFENBAKER: He repudiated it, yes, some two days later, after a public furore arose all over the province. I point this out as indicating, first, the necessity for control, and, second, the necessity for an assurance from the minister that the amount which will be paid in the western provinces has been determined and some indication as to the amount which has been determined upon.

Mr. McLARTY: In reply to the request which the hon. member made some time ago and which he has just now renewed as to the actual amount allocated by this government to Saskatchewan for material aid, I tell him quite frankly I have not that information. I think, in fact I know there has been no definite agreement arrived at between that province and the dominion. All I can do is to repeat that the amounts which will be set will be on the same basis as are set in all other provinces where material aid is granted, and we shall contribute our 40 per cent. I say

without hesitation that we have not advised the province of Saskatchewan that we will diminish the percentage of our contribution to their relief. We are prepared to meet our share on the same basis as we have before. If the hon. member would care to place his question on the order paper, I shall be glad to give such information as soon as it is available.

Mr. HANSON (York-Sunbury): Would the minister not bring it down voluntarily?

Mr. McLARTY: I shall be glad to bring it down if we have the information. As to the matter of administration, as my hon. friend knows, that has for some time been under the direction of the province. It illustrates what has been complained of, namely, the unfortunate situation that exists when the dominion contributes the money and the province has the administration. As my hon. friend knows, not only is his recommendation one that has been brought to the attention of the department at the present time, but the dominion-provincial commission have made a similar recommendation. It is a matter that I think deserves consideration, but it could not receive consideration in time to be incorporated in this bill.

Mr. NICHOLSON: Mr. Chairman, in rising to discuss this particular section, I should like first to express my thanks to the minister and the officers of his department for dealing so promptly with all the problems which I brought to their attention. By telegram and airmail they have communicated with the proper authorities in Saskatchewan with respect to these cases, and I assure the minister that I appreciate that very much. In spite of that, reports still come to me from my constituency indicating that people on relief are going to be cut off. Just this morning I received from a relief recipient in my constituency this mimeographed sheet which was attached to his relief order for the month of June. It reads:

> This notice is to advise that the grocery order for August will be the last one issued to you.
>
> Northern Areas Branch.

The individual to whom this was sent is living under the northern reestablishment plan. Regardless of how good a crop there might be or how good the price might be, I consider it would be quite impossible for these people to live through the next year on the returns from their farm, and I feel sure that the minister will continue negotiations with the province of Saskatchewan in order that the people who have no way of getting through the next few months will not have to live under the threat of having their food cut off.

While I am on my feet I should like to refer to some remarks that were made by the hon. member for Wellington North (Mr. Blair) in discussing this bill the other day. He said:

> Western farmers have talked until I am tired of listening to them.

As one member who has spoken of the problems of the west, I assure hon. members that so long as there is a single individual in my constituency who is going hungry in this land of plenty, my voice will continue to be raised to see that the necessary action is taken to remedy that situation. The hon. member for Wellington North went on to say:

> The Ontario farmer is tired of listening to that sort of speech, and I say to western farmers, "The time has come when, if you cannot live in the west, you had better get out. If you are dried out year after year, get out and go somewhere where you can live."

I am sure the members of this committee realize that a suggestion of that sort cannot be taken seriously. The evidence placed before this committee by the minister indicates that there are thousands and thousands of people who would be affected by such a suggestion; and if I were to ask where would these people go, I am sure the hon. member for Wellington North would be the last man to say that in his constituency there are places where these people might become self-supporting in a few years. Speaking a year ago, the same hon. gentleman, discussing another aspect of this unemployment relief measure, and speaking of the unemployed, said:

> But when I go to your city bums from the street I cannot get a man in fifty. You might think you could, but just you go and hire some of these yaps on the streets and you will see what you have got. In the country I can get men that have a spine, but I cannot when I pick up these travelling transients.

Observations of that sort with respect to the unemployed, with respect to people in western Canada who have been asking for assistance, are doing a great national disservice. I tell the hon. members of this committee that the people in western Canada do not want charity. They are not asking for something for nothing. The chairman of the Alberta wheat pool, speaking a year ago at the conference in Winnipeg under the chairmanship of Premier Bracken to discuss western problems, pointed out that all you had to do was to travel through western Canada, view the farm homes and draw your own conclusions. He said:

> You city dwellers, take a trip by rail or highway through the west, and as you go along note every farm home you see, and figure out how many of those homes appear to you as places in which you would like your family to live. Look over the average farm home

and visualize what it would take to put it on the same basis of comfort and convenience as the average city home.

Mr. Hutchinson pointed out to the conference what is obvious to anyone who travels through western Canada.

During this century the people of western Canada have produced untold quantities of new wealth. But what have they now? Heavily mortgaged farms, worn-out equipment, very little of this world's goods.

The hon. member for Wood Mountain (Mr. Donnelly) spoke a short time ago. I am very glad to hear that the people in his constituency are living as well as he indicated. I should like him to come to my constituency to see some of his former friends who, through no fault of theirs, have been forced to move north. As he spoke, I recalled one of his old neighbours, a man who a few years ago had a fine farm in the hon. member's constituency. One day a United States farmer who was coming to Canada to settle drove into this man's yard when his golden grain was waving in the breeze and offered him $40,000 cash for the farm with the crop. At that time there was not a cent of debt on the farm. The farmer had a family of young people. They had a conference. To them, $40,000 seemed a great deal of money. They said, "Will we sell or will we not? If we sell, what shall we do?" The farmer did not want to move with a growing family to a town or a city, and he knew that if he sold his farm and went to buy another, he could not better himself. He said to his visitor, "You have given us a good offer, but this is going to be our home, we are going to stay here." Through no fault of his, adversity came to his community. He is now up in my constituency living in a log house. He came north without one cent of equity in that $40,000 property.

Mr. DONNELLY: Would the hon. member permit a question?

Mr. NICHOLSON: Yes.

Mr. DONNELLY: Is that the fault of this government?

Mr. NICHOLSON: I made it quite clear that through no fault of this man he is now in a position where he is not in possession of a $40,000 farm.

Mr. DONNELLY: I asked if it is this government's fault or any other government's fault? It is the weather conditions—

Mr. NICHOLSON: The hon. member made a speech a short time ago without any interruption on my part. I am pointing out that this man, who formerly had a good farm in the constituency of my hon. friend, is now reduced to a position where he has had to ask the government for assistance. I saw him during the week when he first went to ask for government assistance, and I know it was a bitter pill for him to swallow.

I want to point out to hon. members that thousands and thousands of farmers in western Canada have been compelled, through no fault of their own, to ask for relief. I do not blame the present administration; I want to make that clear; but I point out that these people who need food and clothing—yes, and medical services; yes, and educational services—have a right in this day and age to receive them. I submit to the hon. member for Wellington North, who is not present at the moment, that when we ask, on behalf of our people in western Canada, for assistance for those who are unemployed through no fault of their own, we are not setting any precedent.

In the case for Manitoba which was presented to the royal commission on dominion-provincial relations, there are statistics on page 19 showing what the people of Canada have paid as a result of tariffs. In only two provinces of the dominion have the people on the whole benefited as a result of tariffs. This is a table, as presented in this brief, showing that seven of the nine provinces have carried a load to benefit a small group of manufacturers:

Province	Net annual loss per capita
Prince Edward Island	$17.88
Nova Scotia	12.28
New Brunswick	11.67
Manitoba	13.25
Saskatchewan	28.16
Alberta	29.93
British Columbia	22.33

Only two provinces have enjoyed a net profit as a result of our tariffs. Their net per capita gains per year are:

Province	Net annual gain per capita
Ontario	$11.03
Quebec	15.15

On page 22 of the same volume there is a table indicating what the average farmer has paid in respect of farm operations as a result of our fiscal policy:

Automobile equipment and fuel	$ 27.19
Machinery, implements, etc.	18.45
Building material	7.16
Household equipment	12.60
Clothing	24.41
Food	20.57
Total	$110.38

Assuming that there are 290,000 farmers in the three prairie provinces, the added cost borne by western farmers as a result of tariffs

would be about $29,000,000 a year. I suggest that such remarks as those of the hon. member for Wellington North and the hon. member for Wood Mountain, indicating that we are asking for more than our share, are not conducive to the building up of national unity.

The hon. member for Témiscouata (Mr. Pouliot) is not in his seat at the moment, but I want to express my agreement with him when he says that the people of his constituency who need help should have it. I do not believe he wished to be unfair to Saskatchewan when he suggested that we have had a great deal of money. Possibly the sum of $56,000,000 for Saskatchewan in a ten-year period sounds like a great deal of money. But if in a province or a community there are families where the children go to bed hungry, I do not care how many millions of dollars have been given in the past ten years; I believe it is the concern of this government to see that the necessary policies are carried out so that the provincial government can take steps to see that children do not go hungry. I like to think of Canada as a great family.

Mr. HANSON (York-Sunbury): Would the hon. member allow me a question? I am distressed to hear him say that children go to bed hungry. Will he state that at any time during the last ten years, since relief was first instituted by the Bennett government, in September, 1930, anybody in Saskatchewan has starved or has been in actual want? I would be disturbed if that were the case. I know it was not the intention of R. B. Bennett and his government that anybody in Canada should be in want, and I cannot for a moment believe that it is the intention of anybody on the other side of the house since 1935 that anyone shall be in actual want. I can scarcely credit such a thing. But what I do believe is that there should be a tightening up of the whole position; there should not be any question of playing political favourites or of vote-catching in connection with this matter. That is something which distresses me, too. Human suffering should never be made the basis for the bartering of votes. I want to say that just as emphatically as I know how.

Mr. NICHOLSON: I appreciate very much the remarks of the leader of the opposition, and I really believe that members of this house do not know the conditions that exist in my constituency. I do not believe the Minister of Labour has any idea of the suffering in northern Saskatchewan. There are many people in the cities who really do not know what it means to have a budget such as the hon. member for North Battleford has had for several months. Speaking the other night she gave the government the benefit of the doubt in telling of the allowance for their family, and I want to say most emphatically that at the present time there are in Saskatchewan not one, but hundreds, yes, thousands of people who are not getting enough food for their children. I have two letters to which I might refer. The hon. member for Wood Mountain objected to my reading letters from my constituents, but I do not think I am doing my duty unless I let the committee know the conditions that exist in that section. This is a letter here from a married woman who worked in England in a munition factory for four years during the last war. She and her husband live in Canada. She tells me that on the day she wrote there was no flour in the house. She has offered her services again for work in a munition factory, but so far she has received no reply. I know she would not be accepted anyhow, because she is not physically fit for such work. She would not have a chance in the world.

Mr. McLARTY: I think my hon. friend is aware that the provincial government proposed sending an investigator and asked the labour department's representative in Saskatchewan to cooperate. I wonder if the hon. member would give these names to the investigator so that we can make a definite check on it.

Mr. NICHOLSON: When I began my remarks I expressed my appreciation of the cooperation which the minister and his officials have given, and I have already submitted this communication. As a matter of fact, the minister's department took the matter up at once and telegraphed to Saskatchewan, but the leader of the opposition asked me if I had any specific cases and I felt obliged to refer to this matter. I do not wish to take up the time of the committee by dealing with specific cases, but I had these two that had been attended to at once by the minister's department. I assure members of the committee, speaking from a wide experience over a period of ten years in northern Saskatchewan, that the people who are being reestablished from our cities and southern Saskatchewan are not having proper clothing. If hon. members had the privilege of spending a week or a month in those northern areas they would be surprised. While in Hudson Bay junction, I wrote to friends in eastern Canada and sent them pictures which I had in the house the other day, and with the greatest possible speed they sent generous

consignments of clothing and all sorts of things. I know, therefore, that if the people really had the facts, action would be taken. I am concerned that the minister should see to it that the present emergency throughout the world will not be used as an excuse for pressing down relief allowances in northern Saskatchewan, because those allowances are already far too low. I hope the minister will see that those responsible for the administration of relief in Saskatchewan are advised to make sure that no person is deprived of food and clothing in this day and age.

Mr. GRAHAM: Have the cases to which the hon. member has been referring been submitted to the provincial authorities of Saskatchewan?

Mr. NICHOLSON: I am glad to answer that question. One of these cases was referred to the department in charge in Regina. I am sorry I have not the reply with me, but my advice was that commencing the first of June this particular allowance was cut down to $14 a month as a result of the coming in of gardens

Mr. GRAHAM: Will the hon. member give me the name of the municipality?

Mr. NICHOLSON: This is in an unorganized district.

Mr. GRAHAM: Will the hon. member give the name of the district in which the person resides?

Mr. NICHOLSON: In the northern reestablishment area, in the Erwood district. I shall be glad to give my friend the name and the correspondence from the department in Regina. The minister's department is investigating this case. I did take the matter up with Regina, and they advised me that the allowance was reduced to $14 a month at the beginning of June as a result of gardens coming in. This woman replied that they cannot expect garden stuff until July, and she says that the allowance is only $12. I am sure the minister will investigate to see whether it has been cut to $12 or whether it is $14 as the department in Regina says.

Mr. GARDINER: This discussion has been wide of the section now being considered. Much of the discussion that has taken place to-day, and the discussion that took place previously, has had to do with another matter which will come up later on. The term "northern settlement plan" has been referred to time after time. In my estimates there is a vote for the northern settlement plan, and all the work under that plan which is done by the provincial government is done as a result of arrangements made under that vote and not in connection with this bill. All the discussions in connection with that, I presume, will take place again when we come to the estimate of $250,000 to be used in the different provinces for that kind of work, the greater part being used in Saskatchewan. The settlers spoken of are settlers who, as the leader of the opposition will remember, were moved into that country under a plan started by Mr. Bennett in 1932, whereby the municipality paid $200, the province $200 and the federal government $200, to move people, many of them from Saskatoon and Moose Jaw and some from other districts into the northern areas of Saskatchewan. They were given this $600 to buy equipment and building materials to take with them in order to start farming. Many of these people had no farming experience or knew very little about farming in bush country. Some had worked the greater part of their lives on the railway. Eventually the plan was dropped. Some of these people lost their live stock; some lost other supplies that had been sent up as a result of securing the $600. Most of them had to be placed on relief, costing the province and the government of Canada and others at least as much as they were costing where they came from, and, in many instances, more.

Mr. HANSON (York-Sunbury): The suggestion being that they were not qualified to farm.

Mr. GARDINER: They had not the equipment for farming, or they were put on bush farms when they were acquainted with nothing but the open prairie. Moreover, in that country it cost as much as $40 an acre to break the land, and when a person goes on the land in some of these areas it is a long time before enough is cleared to produce sufficient to pay the cost. In the last four or five years the government, with the assistance of the federal authority, has been helping these people to break some land, actually buying tractors to help them to break up the land at a lower cost. I shall have the figures when the estimates are down in connection with my own department, indicating the number of those persons taken off relief as a result of the activities of the provincial government and the federal authorities working in cooperation. That is being carried on not only in Saskatchewan but on a smaller scale in New Brunswick. It is also being done to some extent in British Columbia and in Alberta, but by far the greater part has been done in Saskatchewan. That is another story altogether but one that has been mixed up with this bill from time to time.

Mr. NICHOLSON: At page 14 of the report I see an item, No. 20, with reference to the reestablishment of settlers, $250,000.

Mr. GARDINER: That does not include northern settlement work, or it may have included such work prior to four years ago when it was changed from the Department of Labour to the Department of Agriculture; or if it is there, it is merely an account of the work in order to make the report complete on assistance.

Mr. NICHOLSON: It is for the last year.

Mr. GARDINER: This bill would not have anything to do with the northern settlement end of it.

There is another point. Much of the discussion that has taken place has had to do with an entirely different expenditure, one not under this measure or under the northern settlement plan. In the years when the drought was bad there was no legislation to deal with it, and what the government did under those circumstances, while Mr. Bennett was in power, and under this government as well, was this: When those conditions arose in the middle of the summer and there was no legislation on the statute books, the money was produced by warrant, and we had to come into this house session after session and vote millions that may not be in these records at all. If they are in the records, they are not related to the bill.

When you say Saskatchewan borrowed so much money and got so much more under this legislation, you may not have all the figures. Very substantial amounts of money have been spent in Saskatchewan under warrants which have been issued, and the greater part of that money has been spent through the Department of Agriculture and not through the Department of Labour. There was something over $20,000,000 in 1937-38 spent through the Department of Agriculture under these warrants, because of the fact that we had drought on which we had not counted when parliament was in session.

Mr. HANSON (York-Sunbury): And for which there was no financial provision.

Mr. GARDINER: That is correct. That was reported at the next session of parliament; the house agreed that the money should have been spent, and passed on to another year. Many of these matters are dealt with, not through this legislation but in other ways.

I should like to say a word with regard to one other matter which has come up time after time in these discussions. It was brought to my mind by the newspaper clipping, I think it was, read by the hon. member for Mackenzie a few moments ago, stating that somebody had notified some individual that after August they could not depend upon further relief allowances.

Mr. NICHOLSON: This notice was sent out with the June relief order, from the northern areas branch.

Mr. GARDINER: I will explain that. I think a notice which covers three months is a fairly long notice. These notices say that after August there may be no relief issued. This is not something happening for the first time this year. I understand the matter fully; I have dealt with it for many years, both here and in the province. No government, either federal, provincial or municipal, intends to pay relief one day longer than it must.

Mr. HANSON (York-Sunbury): That is right.

Mr. GARDINER: I think that is proper. They intend to pay relief just as long as it is a necessity in order to assist people.

Now may I say this. No matter what our wishes or feelings may be, there is no government, municipal, provincial or dominion, whatever may be its name, that is going to do for individuals what those individuals would like to do and would do for themselves if conditions were such that they could look after themselves without assistance from the government. No government is ever going to be able to satisfy all the people to whom they must give assistance. I do not think it makes any difference what form of government you have, or under what name the government operates; that will be the situation. People will never get from a government what they really require in order to live as we all believe people should be able to live. It has always been found difficult to bring about that condition with government assistance, and I think that will always be the case.

Having said that, I should like to mention how the system has operated. This has been stated a number of times from the opposite point of view. We have said that the municipality has the first responsibility, the province the next and the dominion the next; and we say that when the municipality cannot meet the situation, it is up to the province or the dominion, or all three combined. Look at it in this way. The municipality is the first authority upon which is placed the responsibility of saying whether or not there is going to be any further relief. For that very

reason the municipality is asked to pay 20 per cent of the cost of relief. Somebody, some time, has to begin to stop it; after the municipality has had its say, the province has its chance, and this government, as well as the previous government, has in most instances accepted the statement from the municipality, plus the statement by the province, that something ought to be done to assist these people. We make the municipality assume responsibility by finding 20 per cent and the province by finding 40 per cent. Now we are in June, and there may be a very fine crop standing. I drove through my hon. friend's district last August, and I saw the finest crop I have ever seen in my life.

Mr. NICHOLSON: Not in the Erwood district.

Mr. GARDINER: Perhaps I should have said in the district of the hon. member for Melfort, (Mr. Wright), which is right alongside, and even starting from Foam Lake, or just north of Yorkton, and continuing north in the constituency of Mackenzie, there was a pretty fine crop last year. In the district north of Tisdale there was the best crop I have ever seen at any time anywhere in the world. That is immediately tributary to the district where these people are settled.

Mr. NICHOLSON: A hundred miles away.

Mr. GARDINER: I say in the district right around the edge of the country to which I am referring, and where the crop is, you will find many of these people.

Mr. WRIGHT: The biggest percentage of these people have no land under cultivation at all.

Mr. GARDINER: Then they are under the northern settlement plan, with which I am not dealing at all. Here we are in the month of June, and the municipal councils see fine crops growing. Do not hon. members think they are showing good judgment when they give notice three months ahead that if those crops continue to grow, there will be no further relief after September 1, when harvesting will be in progress? That notice is given now in the statements referred to, but if in the meantime there are no crops; if they are dried out or frozen or hailed out, then the provincial government, the federal government and the municipality will come back into the picture, as they have ever since we have had relief.

Mr. WRIGHT: May I ask a question?

Mr. GARDINER: It is just about six o'clock, and I should like to finish what I have to say.

Mr. WRIGHT: I just wondered if the minister knew what percentage of those people were settled in municipalities and what percentage in unorganized districts.

Mr. GARDINER: I will have those figures when I bring down my estimates but I believe the percentage in the organized districts will be lower than in the unorganized.

Every year the agreements that have been entered into under this act have run out on April 1. We have extended them month by month and have indicated that if conditions were better as we got into the season, the agreements would be cancelled entirely. But along in August or September we have entered into our new agreements. Between April 1 and September 1 every governing body has called the attention of the people to the fact that they might be cut off relief and probably would be cut off if conditions justified that being done. Most people hope they will be able to go off relief, and they are all trying to cooperate towards that end. So I suggest that if a provincial government, as in this case through the northern settlement plan, have given three months' notice of their intention to cut people off relief, they have given fairly good notice; but if there is no crop in the meantime, the people will have relief just as they have always had it. No one will deny it to them.

The municipal council is the first body that must act. I suppose we might as well admit here, as we admit elsewhere, that it is only human nature to pass the buck a little. When a man is cornered and asked, "Why aren't you going to give us relief?" the municipal man may say, "Oh, the province is not going to help us," and the province may say, "Well, the federal government is not going to help us." Our view has been that if we are absolutely satisfied that they should not be helped, we will not help them, and I believe the province would say exactly the same thing. But the municipality with the assistance of the province and the federal government will carry them along until all are satisfied as to whether they should be helped. This bill is to make the help possible. I think my hon. friends will agree with me in this, that in the ten years we have gone through, the great majority of people, irrespective of party or irrespective of any government with which they might have been associated, and irrespective of any municipality with which they might have been connected, have been trying to do the best they can for the people who have been having very difficult times.

If there was only one court case of the kind described by the hon. member for Lake Centre (Mr. Diefenbaker), then I think there can be no great criticism. I say that because when between three hundred and four hundred municipalities are in difficulties and only one court case has resulted, the condition cannot be too bad. I would hope that there have not been other cases, and that generally the conditions were much better than that one case would indicate they might have been.

Progress reported.

On motion of Mr. Lapointe (Quebec East) the house adjourned at 6 p.m.

END OF VOLUME I.